

1 Laurence M. Rosen, Esq. (SBN 219683)
2 **THE ROSEN LAW FIRM, P.A.**
3 355 South Grand Avenue, Suite 2450
4 Los Angeles, CA 90071
5 Telephone: (213) 785-2610
6 Facsimile: (213) 226-4684
7 Email: lrosen@rosenlegal.com

8 *Co-Lead Counsel for Plaintiffs and the Class*

9 *[additional counsel on signature page]*

10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA

12 BRIAN DONLEY, Individually and on
13 behalf of all others similarly situated,

14 Plaintiff,

15 v.

16 LIVE NATION ENTERTAINMENT,
17 INC., MICHAEL RAPINO, and JOE
18 BERCHTOLD,

19 Defendants.

Case No. 2:23-cv-06343-KK-AS

**AMENDED CLASS ACTION
COMPLAINT FOR VIOLATIONS
OF THE FEDERAL SECURITIES
LAWS**

CLASS ACTION

JURY TRIAL DEMANDED

1 Lead Plaintiffs Brian Donley and Gene Gress (“Plaintiffs”), individually and
2 on behalf of all others similarly situated, by and through their undersigned attorneys,
3 allege in this amended complaint the following upon knowledge with respect to their
4 own acts, and upon facts obtained through an investigation conducted by their
5 counsel, which included, *inter alia*: (1) review and analysis of Defendants’ public
6 statements, public documents, conference calls, and announcements, United States
7 Securities and Exchange Commission (“SEC”) filings, and wire and press releases
8 published by and regarding Live Nation Entertainment, Inc. (“Live Nation” or the
9 “Company”); (2) media and analyst reports and advisories about Live Nation; (3)
10 interviews with confidential witnesses; (4) information from related court filings;
11 and (5) publicly available information. Plaintiffs believe that substantial evidentiary
12 support will exist for the allegations set forth herein after a reasonable opportunity
13 for discovery. Most of the facts supporting the allegations contained herein are
14 known only to Defendants (defined below) or are exclusively within their control.

15 **NATURE OF THE ACTION AND OVERVIEW**

16 1. Plaintiffs bring this action as a federal securities class action pursuant
17 to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a Class defined as
18 all persons and entities that purchased the publicly traded common stock of Live
19 Nation between February 23, 2022 and November 20, 2023, both dates inclusive
20 (“Class Period”).¹ Plaintiffs bring claims individually and on behalf of the Class
21 pursuant to Sections 10(b) and 20(a) of the Securities Exchange Act of 1934
22 (“Exchange Act”).
23

24 ¹ Excluded from the Class are: (a) persons who suffered no compensable losses; and
25 (b) Defendants; the present and former officers and directors of the Company at all
26 relevant times; members of their immediate families and their legal representatives,
27 heirs, successors, or assigns, and any entity affiliated with any excluded person or
28 entity or in which any excluded person or entity has or had a majority ownership
interest at any time.

1 2. Live Nation is a live entertainment company and concert and ticketing
2 platform operating in 48 countries. Live Nations owns, operates, and has exclusive
3 booking rights for a number of global venues and claims to be one of the world's
4 leading artist managements companies. Through Ticketmaster Entertainment LLC
5 ("Ticketmaster"), Live Nation provides ticket sales and resale services for concerts,
6 sporting events, performing arts experiences, festivals, museums, and theaters.

7 3. Live Nation and Ticketmaster merged in January 2010 but were under a
8 consent decree with the U.S. Department of Justice ("DOJ") to preserve competition
9 in the live events market. In 2019, Live Nation faced federal scrutiny for pressuring
10 concert venues to use Ticketmaster over other systems in five incidents, which
11 would have violated the consent decree. To resolve these claims, the Company
12 extended the consent decree through December 2025 and added new provisions.
13 Pursuant to the amended consent decree, Live Nation agreed to abide by a stricter
14 set of rules, including not threatening to condition the provision of Live Nation
15 concerts on a venue choosing Ticketmaster or retaliate in response to a venue
16 choosing a ticketing service provider other than Ticketmaster. The Company is
17 subject to an automatic penalty of \$1 million for each violation.

18 4. On November 18, 2022, *The New York Times* reported that the U.S.
19 Department of Justice ("DOJ") had opened an antitrust investigation into
20 Ticketmaster and Live Nation months earlier. On this news, Live Nation's stock
21 price fell \$5.64, or 7.8%.

22 5. Then, on February 23, 2023, *NPR* reported that, following
23 Congressional hearings, the Senate Judiciary Subcommittee on Competition Policy,
24 Antitrust, and Consumer Rights wrote to the DOJ presenting evidence that "Live
25 Nation is harming America's music industry." The letter cited issues with Live
26 Nation's pricing models and fees, increasingly long contracts with competitors, and
27 retaliatory behavior against artists and venues that do not want to work with the
28 Company. The senators "encourage[d]" the DOJ to take action if it found Live

1 Nation had “walled itself off from competitive pressure at the expense of the
2 industry and fans.” On this news, Live Nation’s stock price fell \$7.71, or 10.1%.

3 6. Then, on July 28, 2023, *Politico* reported that the DOJ “could file an
4 antitrust lawsuit against [Live Nation and Ticketmaster] by the end of the year,
5 according to three people with knowledge of the matter.” *Politico* reported that
6 “[t]he DOJ is moving quickly, ... and its litigation team is involved.” *Politico*
7 further reported that the DOJ complaint is expected to allege that “the entertainment
8 giant is abusing its power over the live music industry.” On this news, Live Nation’s
9 stock price fell \$7.60, or 7.8%.

10 7. Finally, on November 20, 2023, *CNBC* reported that a Senate
11 investigative subcommittee had issued a subpoena to Live Nation and its
12 Ticketmaster subsidiary “for information regarding ticket pricing and fees after a
13 months-long probe that had not been previously announced.” In a letter
14 accompanying the subpoena, Senator Richard Blumenthal, Chairman of the Senate
15 subcommittee, wrote that “[d]espite nearly eight months and extensive efforts to
16 obtain voluntary compliance, Live Nation/Ticketmaster has failed to fully comply
17 with [the subcommittee’s] requests, including refusing to produce certain documents
18 critical to the Subcommittee’s inquiry.” In a statement on the same day, Senator
19 Blumenthal said that “Live Nation has egregiously stonewalled my Subcommittee’s
20 inquiry into its abusive consumer practices — making the subpoena necessary.” On
21 this news, Live Nation’s stock price fell \$2.78, or roughly 3%.

22 8. Throughout the Class Period, Defendants made materially false and/or
23 misleading statements and omissions of material fact about the Company’s
24 compliance with antitrust laws, its cooperation with governmental investigations,
25 and the regulatory risks it was currently facing. Specifically, Defendants failed to
26 disclose to investors: (1) that Live Nation engaged in anticompetitive conduct,
27 including improperly tying its underpriced Live Nation concert promotion services
28 to its Ticketmaster services and retaliating against venues that spurned Ticketmaster

1 and improperly restricting consumers' ability to resell tickets using competing
2 secondary ticketing services; (2) that Live Nation was not, in fact, cooperating with
3 the ongoing DOJ and Senate subcommittee investigations; and (3) that, as a result,
4 Live Nation was reasonably likely to incur regulatory scrutiny and face fines,
5 penalties, and reputational harm.

6 9. The gradual revelation of the truth about the Company's
7 anticompetitive conduct in violation of antitrust laws, refusal to fully cooperate with
8 investigators, and undisclosed risks of regulatory action caused precipitous declines
9 in the market value of the Company's stock. As a result, Plaintiffs and the Class lost
10 a significant amount of value in their investments and were damaged thereby.

11 **JURISDICTION AND VENUE**

12 10. The claims asserted herein arise under and pursuant to Sections 10(b)
13 and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and SEC Rule 10b-5
14 promulgated thereunder (17 C.F.R. § 240.10b-5).

15 11. This Court has jurisdiction over the subject matter of this action
16 pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C.
17 § 78aa).

18 12. This Court has jurisdiction over each Defendant named herein because
19 each Defendant has sufficient minimum contacts with this District so as to render
20 the exercise of jurisdiction by this Court permissible under traditional notions of fair
21 play and substantial justice.

22 13. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b)
23 and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) because the alleged false
24 and misleading public filings and statements were made in or issued from this
25 District and the Company's principal executive offices are located in this District.
26 Substantial acts in furtherance of the alleged fraud or the effects of the fraud,
27 including the dissemination of materially false and/or misleading information, have
28 also occurred in substantial part in this district.

1 agency because all of the wrongful acts complained of herein were carried out
2 within the scope of their employment.

3 22. As senior executives of Live Nation, the Individual Defendants
4 possessed the power and authority to control the contents of Live Nation's reports to
5 the SEC, press releases and presentations to securities analysts, money and portfolio
6 managers and institutional investors. The Individual Defendants received copies of
7 the Company's reports and press releases alleged herein to be misleading prior to, or
8 shortly after, their issuance and had the ability and opportunity to prevent their
9 issuance or cause them to be corrected.

10 **CONFIDENTIAL WITNESSES**

11 23. Plaintiffs' investigators spoke with former employees of the Company
12 who have personal knowledge of the facts alleged and attributed to them in this
13 Complaint.

14 24. Former Employee 1 ("FE1") worked as Vice President of Premium
15 Seating for Live Nation from January 2019 to November 2022. In that role, FE1
16 oversaw all of the Company's salespeople in roughly 50 of their club and theater
17 venues across the country, including leading the sales team and managing revenue
18 and budgets.

19 25. Former Employee 2 ("FE2") worked as an Executive Vice President in
20 Live Nation's Clubs, Theaters and Ballrooms segment from 2010 to April 2021.
21 FE2 reported to former Live Nation President of Venues Ron Bension, who reported
22 to Defendant Rapino. FE2's division promoted and operated venues, including
23 ticketing services.

24 26. Former Employee 3 ("FE3") worked as a Director of Client
25 Development for Ticketmaster from 2010 to 2021, and now works at one of
26 Ticketmaster's top competitors. FE3's responsibilities included overseeing the
27 overall relationship between the Company and a group of clients.

COMPANY BACKGROUND

27. Live Nation is a global live entertainment company. Live Nation owns, operates, has exclusive booking rights, and/or an equity interest with significant influence for approximately 338 global venues, with operations in 44 countries. Live Nation also claims to be one of the world's leading artist managements companies. Live Nation is the largest live entertainment company in the world, claiming to have hosted "44,000 events across 45 countries, drawing in over 121 million attendees," in 2022.

28. Ticketmaster is a wholly owned subsidiary of Live Nation. Ticketmaster is the largest ticketing company in the United States, with 2022 revenues of approximately \$2.2 billion. Ticketmaster's business includes two main arms: its legacy primary ticketing services and its newer secondary ticketing services. Upon information and belief, Ticketmaster's share of secondary ticketing services for major concert venues in the U.S. already exceeds 60%.

29. Live Nation's 2022 total revenues were approximately \$16.7 billion, but roughly 60% of its adjusted operating income was attributable to its Ticketing division (*i.e.*, Ticketmaster), even though Ticketmaster represented only about 13% of Live Nation's revenues.

30. Live Nation and Ticketmaster merged in 2010, with the post-merger conglomerate reorganized into the following three segments:

(a) **Concerts** - Live Nation serves primarily as a concert promoter and venue operator. Live Nation and AEG Live are the only promoters that can operate on a national (in the U.S.) and global scale; the rest of their competitors are regional or local.² Live Nation often serves as the exclusive

² The Anschutz Entertainment Group ("AEG") is a global live entertainment company and a subsidiary of The Anschutz Corporation. AEG owns a variety of major concert venues throughout the U.S. that compete with venues owned by Live Nation and others for major concerts. AEG Live is AEG's concert promotion arm.

1 promoter for artists on national tours, and uses its deep pockets, including
2 cross-collateralization across concerts and operating profits from its
3 Ticketmaster and sponsorship divisions, to routinely offer artists higher
4 guaranteed compensation than its only other national competitor, AEG Live.
5 Live Nation controls over 60% of the U.S. market for concert promotion.
6 Revenue streams from this segment are numerous and significant, but margins
7 are below cost or very thin. The adjusted operating margin for the Concerts
8 segment in 2022 was 1.3%. Live Nation's promoted artists receive the vast
9 majority of the Concerts segment's revenue.

10 (b) ***Ticketing*** – Live Nation's Ticketing segment (*i.e.*, Ticketmaster)
11 is highly profitable, with an adjusted operating margin in 2022 of 37.6%. This
12 division primarily consists of the legacy Ticketmaster business, which focuses
13 on primary ticket sales, as well as a newer business focused on secondary
14 ticket sales (*i.e.*, resales). Ticketmaster sells tickets to the public under
15 contract with the venues and earns service and other ancillary fees on the sale
16 of each ticket. Ticketmaster also has a growing secondary ticketing
17 marketplace, with over \$4.5 billion of gross transaction value in 2022, more
18 than doubling since 2019. This high-margin secondary ticketing business
19 provides an additional income stream for Ticketmaster on the same shows for
20 which it sells primary tickets. This secondary ticketing business allows
21 Ticketmaster to generate revenues two or more times on the same exact
22 tickets. Ticketmaster also maintains a database containing the contact
23 information of over 130 million customers, a valuable resource that it has
24 generally refused to provide to the very artists who create the demand that
25 drives ticket sales.

26 (c) ***Sponsorship & Advertising*** – This segment leverages the 121
27 million fans Live Nation draws to its shows, the over 130 million names in
28 the Ticketmaster database, their stable of managed and promoted artists, and

1 the venues they control to sell targeted advertising to major companies. In
2 2022, this segment generated adjusted operating income of \$592 million on
3 revenue of \$968 million—a 61.2% margin.

4 31. In 2022, the Ticketing and Sponsorship & Advertising segments
5 generated only 19.0% of Live Nation’s revenues but accounted for ***over 100%*** of its
6 adjusted operating income. This tracks with the Company’s results from 2019 (the
7 most recent previous full year without significant adverse impact from COVID-19
8 restrictions on live events), when the Ticketing and Sponsorship & Advertising
9 segments generated 18.4% of Live Nation’s revenues, but ***over 100%*** of its adjusted
10 operating income (reduced by, among other things, losses in the Company’s
11 Concerts business segment).

12 **General Background on the Live Music Industry**

13 32. At a high level, the major players and components of the live music
14 industry include the following: artists and their managers, promoters, venues,
15 ticketing, and consumers.

16 33. Artists are the draw for a live music event and drive the demand for the
17 services of the other participants in the industry. An artist manager serves as the
18 “CEO” of an artist’s business activities, advising in some or all phases of the artist’s
19 professional life, including tours, appearances, recording deals, publicity, and
20 endorsements. Managers are typically compensated based on a percentage of all of
21 the artist’s revenues or profit streams. Live Nation claims to be the largest manager
22 of artists in the music industry.

23 34. The artist manager often hires booking agents to assist in arranging a
24 concert or tour. The manager or booking agent contracts with promoters to secure
25 payments for artists as compensation for their live performances. Booking agents
26 typically receive a percentage of an artist’s receipts from live performances.

27 35. The promoter is responsible for promoting the concert to consumers.
28 For example, the promoter hires the artist for the performance or national tour (often

1 guaranteeing more popular artists millions of dollars for their performance(s)),
2 contracts with the venue (or uses its own), pays the venue operator a fixed fee
3 (rental payment) to host the concert, arranges for local production services, and
4 advertises and markets the concert. The promoter typically receives the proceeds
5 from gross ticket receipts for each concert it promotes. The promoter bears the
6 downside risk if tickets sell poorly and reaps the upside benefit, along with the
7 artists, if tickets sell well.

8 36. Today, artists planning a tour at major concert venues often use a single
9 company to provide and/or coordinate promotions for the entire tour. SFX
10 Entertainment, Live Nation's predecessor company, was the first to achieve this feat
11 on a large scale by acquiring multiple regional promoters and integrating them into
12 one national organization. Offering these unique, nation-spanning services for artists
13 led SFX (and now Live Nation) to become many artists' promoter of choice for
14 national concert tours, particularly at major concert venues. Although some artists
15 still use multiple regional concert promoters for a single national tour this practice is
16 now the exception, not the rule, for tours that include shows at major concert
17 venues. Live Nation is the largest promoter in the United States, promoting over
18 60% of the shows at major U.S. concert venues.

19 37. Venue operators provide access to and maintain the facilities where
20 concerts are held and oversee the venue's associated services, such as concessions,
21 parking, and security. Along with a rental fee received from the promoter, venues
22 generally take a share of the proceeds from concessions, parking, and artist
23 merchandise sales. Concert venues that contract with Ticketmaster have also, in
24 recent years, begun to take a portion of the fees added to the face value of tickets for
25 events at the venue.

26 38. In terms of ticket sales, venue operators have two options: either
27 manage the sale of primary ticket inventory themselves or contract with a third party
28 to handle the sale process for them. Managing and selling concert venue tickets is

1 technologically and operationally complex, particularly for large venues, so most
2 venue operators use primary ticketing service providers (predominantly
3 Ticketmaster for major venues) for comprehensive ticketing solutions. Upon
4 information and belief, Live Nation Worldwide, along with other members of the
5 Live Nation conglomerate, is the second-largest concert venue operator/owner in the
6 United States and exclusively utilizes Ticketmaster for these services.³

7 39. Primary ticketing service providers contract with venues to manage,
8 sell, and distribute tickets to consumers for events at that venue. Primary ticketing
9 service providers create “back-end” inventory management systems and provide
10 “front-end” support, including customer service, shipping, and fulfillment services,
11 as well as the technology and staff to allow concert venue operators to sell tickets
12 through their box offices. They sell tickets through the Internet, call centers, retail
13 outlets, and/or help the venue sell tickets at its box office.

14 40. Primary ticketing service providers generate revenues by applying
15 surcharges to the base ticket price. The overall price a consumer pays generally
16 includes the “face value” of the ticket (typically set by the artist and promoter) plus
17 a variety of additional fees.⁴ These fees are generally charged and retained by the
18 primary ticketing service provider, although they may be split with other parties,
19 including the venue. Typically described as “convenience,” “processing,” “service,”
20

21 ³ Live Nation Worldwide, Inc. is a wholly owned subsidiary of Live Nation. In
22 addition to the venues it owns and/or operates, Live Nation Worldwide also runs the
23 website “livenation.com.” That website is separate from Live Nation’s website,
24 “livenationentertainment.com” and has a different purpose. On livenation.com, Live
25 Nation Worldwide sells tickets to events at venues it owns or operates, as well as for
26 other shows promoted by Live Nation.

27 ⁴ In recent years, Ticketmaster has rolled out “dynamic pricing” services, which help
28 artists and promoters dynamically adjust ticket face values based on market demand.
Thus, consumers attending the same show with similar seats may pay different face
values for tickets based on when they purchased the tickets.

1 “facility,” and/or “delivery” fees, they can constitute a substantial portion of the
2 total ticket price.

3 41. Substantially all of the nation’s major concert venues have entered into
4 long-term exclusive agreements with primary ticketing service providers—over 70%
5 of them (and growing) with Ticketmaster. Under these agreements, the ticketing
6 service provider obtains the exclusive rights to most or all ticket sales for events
7 held at the venue. Ticketmaster provides primary ticketing services to over 12,000
8 venues and has a renewal rate “exceeding 100%,” because there are no effective
9 competitors when these long-term exclusive dealing contracts expire.

10 42. According to Ticketmaster, its agreements with venues have terms that
11 may exceed 10 or more years in length and are typically in the five- to seven-year
12 range. In order to induce venues to enter into these long-term exclusive dealing
13 agreements, Ticketmaster offers up-front payments and other subsidies that can run
14 into the millions of dollars, and which are conditioned on exclusivity. Those up-
15 front payments act as a barrier to entry for smaller competitors and act as an
16 additional mechanism to maintain Ticketmaster’s dominance.

17 43. Once there is a primary ticket sale, the purchaser may choose to resell
18 their ticket. Historically, such “secondary” ticket sales were challenging because it
19 was logistically difficult to find a purchaser. Ticket holders wanting to resell their
20 tickets had to personally find a purchaser for the tickets, sell to local ticket brokers
21 or put tickets on commission with a broker, or simply go to the event site and sell to
22 a scalper, who would then try to resell the ticket to passersby.

23 44. Recent years have seen a burgeoning market for secondary ticketing
24 service providers. These providers typically offer online platforms connecting
25 resellers to secondary purchasers and distributing tickets from the reseller to the
26 purchaser. This substantially reduces the logistical difficulties of reselling tickets.
27 Today, reselling a ticket is often as easy as posting the ticket on a secondary
28 ticketing platform and waiting for a purchaser to buy the ticket.

1 45. Like primary ticketing service providers, secondary ticketing service
2 providers do not set the price of the ticket; the seller does. Secondary ticketing
3 service providers generate revenues by levying fees on the transaction. However,
4 unlike primary ticketing service providers, secondary ticketing service providers
5 typically charge fees on both sides of the transactions, as opposed to just on the
6 purchaser. A ticket reseller therefore must pay a set fee (often a percentage of the
7 “face value” they set for the ticket), and the purchaser must also pay fees (often a
8 percentage of the sale price in addition to other assorted “service” fees).

9 46. Ticketmaster’s branded platform, as well as its TicketExchange,
10 TicketsNow, TM+, and Verified Tickets secondary platforms, have, upon
11 information and belief, obtained a market share exceeding 60% of secondary
12 ticketing services for major concert venues and are threatening to obtain (or have
13 obtained) monopoly power in that market.

14 **Live Nation Merged with Ticketmaster and Faced Intense Regulatory Scrutiny**

15 47. Live Nation has long been the world’s largest promoter of live
16 concerts. The Company’s Concerts business segment principally involves the
17 promotion of live music events at concert venues throughout the world, although its
18 largest footprint is in the United States. Live Nation Worldwide, combined with
19 other members of the Live Nation conglomerate, is also the second-largest owner or
20 manager of concert venues and owns, leases, operates, has booking rights for, or has
21 equity interests in over 200 live entertainment venues of various sizes in the United
22 States.

23 48. Before their merger, Live Nation had been using Ticketmaster as its
24 primary ticketing service provider and was one of Ticketmaster’s largest customers.
25 In late 2006, Live Nation and its CEO, Rapino, concluded that the Company would
26 be better served by entering the ticketing service business itself. They believed that
27 Live Nation’s prominence as the nation’s foremost concert promoter would give it
28 immediate access to the primary ticketing services market.

1 49. Shortly after rolling out its primary ticketing service strategy in 2008—
2 which involved: (a) licensing ticketing software from CTS Eventim, the leading
3 German primary ticketing service provider, for both Live Nation and third party
4 venues to use within the United States; and (b) engaging in price competition with
5 Ticketmaster on ticket service fees—Live Nation became the second-largest
6 provider of primary ticketing services in the United States almost overnight (by
7 signing up both itself *and* the largest venue operator at the time, SMG).

8 50. In lieu of competing with Ticketmaster as the two predominant primary
9 ticketing services, each with complementary vertically integrated operations to boot,
10 Live Nation and Ticketmaster decided to merge. The DOJ opposed the merger,
11 joined by regulators from California and 16 other states. The regulators’ primary
12 concern was that the merger would eliminate competition and innovation in the
13 market for primary ticketing services. Regulators also expressed concerns that the
14 merger would make Ticketmaster dominant in the secondary ticketing service
15 market.

16 51. To allay these concerns, and resolve the legal challenges to the merger,
17 Live Nation entered into a consent decree that allowed the merger along with
18 numerous conditions and restrictions. The consent decree included several
19 behavioral remedies (*i.e.*, remedies meant to prevent certain anticompetitive
20 behaviors), as well as structural remedies (*i.e.*, divesting parts of the business or
21 licensing key technology to competitors).

22 52. One of the behavioral remedies was that the merged entity was
23 prohibited from “conditioning,” or threatening to withhold artists’ performances tour
24 stops (which Live Nation arranges as the artists’ concert promoter) based on
25 whether a venue selects Ticketmaster as its primary ticketing service provider. In
26 other words, Live Nation cannot punish or threaten to punish venues by sending (or
27 threatening to send) fewer concerts to a venue if the venue decided not to use
28 Ticketmaster as its ticketing service provider.

1 53. The ten-year consent decree was set to expire in 2020. However, in
2 2019 the DOJ moved to extend and modify the consent decree through 2025,
3 because it alleged that the Company had committed multiple violations of the
4 consent decree, specifically its behavioral remedies. The DOJ asserted that the
5 extension and modifications were necessary because the Company's acts had led to
6 further domination by Ticketmaster in primary ticketing services and, therefore,
7 harmed consumers.

8 **Live Nation's Dominance in Multiple Related Markets**

9 54. Live Nation has dominant market power in three key markets for major
10 concert venue services: (1) primary ticketing; (2) secondary ticketing; and (3)
11 concert promotion.

12 55. A major concert venue is a facility suitable for hosting events of the
13 most successful artists and the largest concert tours. Due to the large demand for
14 events featuring popular artists, major concert venues are likely to generate more
15 revenue from various streams (*e.g.*, ticket sales, merchandise sales, concessions)
16 than smaller venues. Relative to other concert venues, major concert venues are also
17 likely to have greater seating capacity and to be located closer to major metropolitan
18 areas. Major concert venues must be suitable for hosting live music concerts, but
19 they may also be used for other events requiring large seating capacity such as
20 sports, festivals, or other live entertainment events.

21 ***Live Nation (via Ticketmaster) Dominates the Market***
22 ***for Primary Ticketing Services***

23 56. Concerts require specialized ticketing services, and major concert
24 venues in particular require even more specialized services. Ticketmaster internally
25 categorizes concerts as a specific type of ticketing within Ticketmaster's broader
26 ticketing services business including professional sports, college sports, arts, and
27 family events.
28

1 57. Within the concert ticketing services category, major concert venues
2 constitute a distinct segment. Major concert venues host the industry’s biggest acts.
3 Shows for superstar artists sell out in minutes, bombarded by thousands of fans and
4 ticket brokers struggling to scoop up seats for top-tier performances. As the DOJ
5 explained in its January 25, 2010 Competitive Impact Statement on the
6 Ticketmaster-Live Nation merger, “major concert venues require more sophisticated
7 primary ticketing services than other venues.” The websites of ticketing service
8 providers that service these venues need to be equipped to handle massive online
9 traffic. Such “high-demand events” have much higher requirements than other types
10 of events and have been likened to a “denial of service attack” by industry insiders,
11 meaning they receive heavy online traffic during initial ticket sales.

12 58. This view is echoed by industry publications, such as Pollstar, that
13 distinguish “major” concert venues from other venues (*e.g.*, awarding a “Best Major
14 Outdoor Concert Venue”).

15 59. Ticketmaster has dominated primary ticketing for decades, increasingly
16 so over the past several years in part because of the merger with Live Nation. Other
17 companies have sought to compete against Ticketmaster for primary ticketing to
18 concert venues over the years, but none have been successful because Ticketmaster
19 acquired them, drove them out of business, or minimized their market share through
20 a variety of tactics. Indeed, as the DOJ recently noted in moving to modify the Live
21 Nation-Ticketmaster consent decree, “Ticketmaster has been the largest primary
22 ticketing service provider for major concert venues in the United States for at least
23 three decades.”

24 60. In 2017, Ticketmaster’s share of primary ticketing services in the
25 United States exceeded 70% among major concert venues and its market power is
26 growing as a result of renewals and extensions of existing agreements. Furthermore,
27 Ticketmaster sells the vast bulk of tickets for major concerts in the U.S. on an
28 annual basis because Live Nation promotes the great majority of major concert tours

1 each year and routes those tours through major concert venues for which
2 Ticketmaster is the primary ticketing service provider.

3 61. In addition to its strikingly high market share, Ticketmaster's revenues
4 are also much greater than those of the next several largest primary ticketing service
5 competitors combined, as are, upon information and belief, its gross profit margins.
6 Moreover, although a small number of other primary ticketing competitors attempt
7 to compete against Ticketmaster for primary ticketing rights at venues not controlled
8 by Live Nation, Ticketmaster's net renewal rate with venues on an annual basis has
9 been "over 100%."

10 62. Using a widely-recognized measure of market concentration called the
11 Herfindahl-Hirschman Index ("HHI"), the post-merger HHI for primary ticketing
12 services for major concert venues increased by over 2,190 points, resulting in a post-
13 merger HHI of over 6,900. The DOJ considers any market with an HHI of more
14 than 2,500 to be highly concentrated.

15 63. Ticketmaster is the largest primary ticketing services provider in the
16 nation. Ticketmaster has historically maintained multiple competitive advantages.
17 As a result, smaller primary ticketing service providers have been limited in their
18 ability to compete with Ticketmaster.

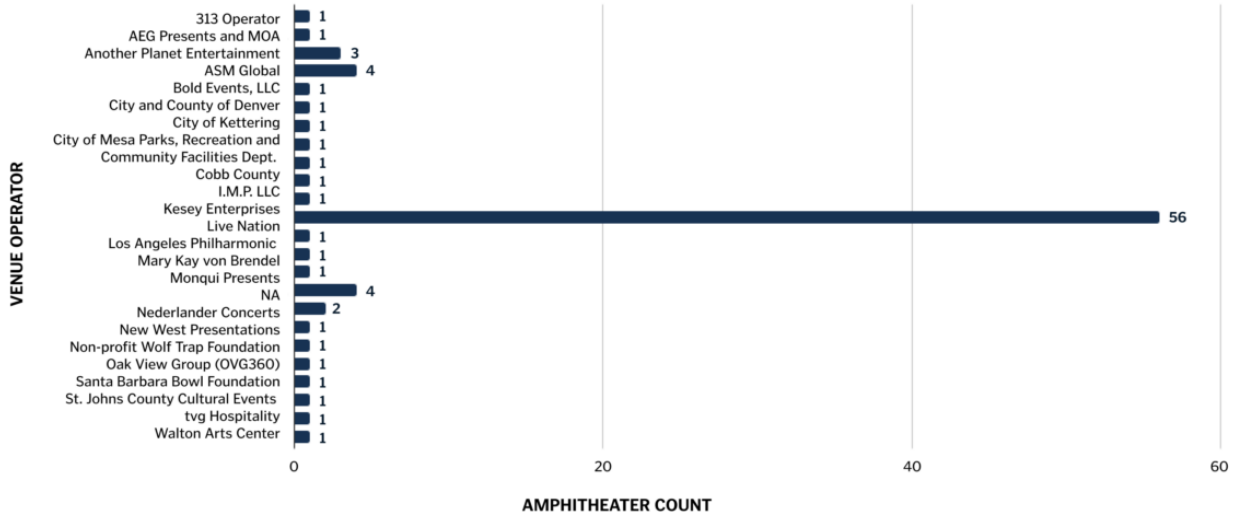
19 64. The primary source of, and barrier surrounding, Ticketmaster's market
20 dominance is a nationwide web of long-term, exclusive dealing contracts with the
21 vast majority of major concert venues throughout the United States. Under these
22 contracts, Ticketmaster sells tickets to the venue's shows and pays the venue a high
23 fixed fee (often including undisclosed rebates and other subsidies). Depending on
24 the venue and the term of the contract, these fees can reach many millions of dollars.
25 Potential competitors or market entrants would need significant sums of money to
26 effectively compete with Ticketmaster for the business of these major concert
27 venues. Accordingly, Ticketmaster's practices create a substantial barrier to entry
28

1 and have allowed Ticketmaster to steadily grow its dominant share of exclusive
2 venue contracts since its merger with Live Nation.

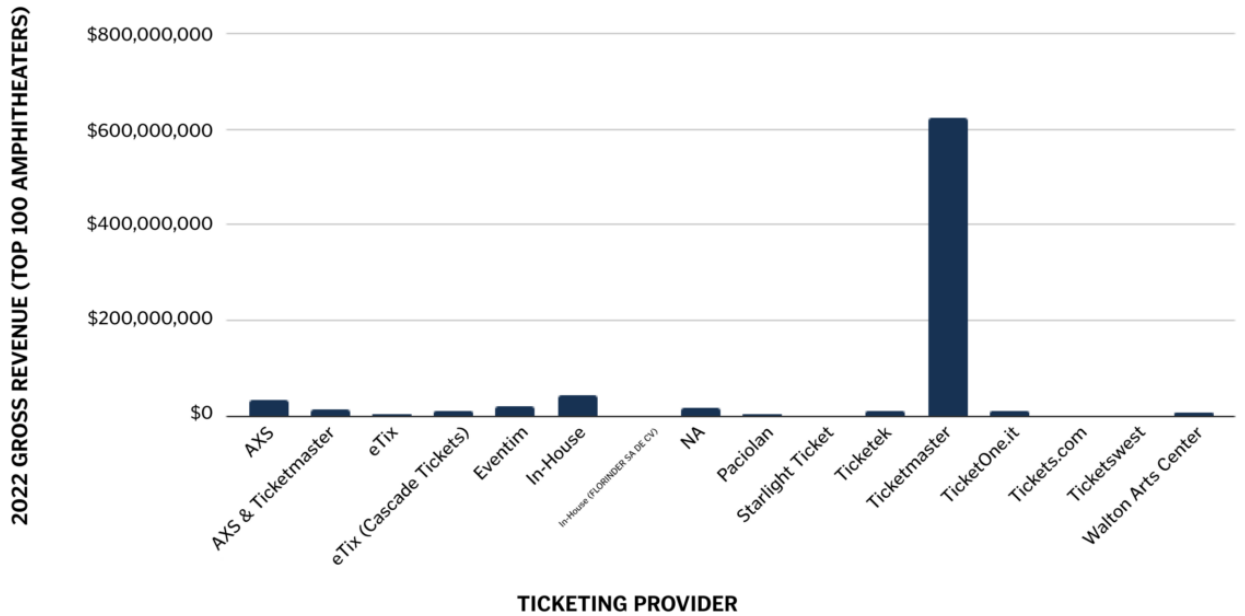
3 65. The long-term exclusive dealing contracts Ticketmaster enters with
4 venues also create market power and barriers to entry because of their length and
5 ubiquity. Ticketmaster's exclusive dealing arrangements with venues have terms
6 that may range to 10 or more years in length. According to public industry data,
7 Ticketmaster controls the ticket distribution for over 70% of major concert venues
8 and works with over 12,000 venues total. Public industry data also indicates that
9 approximately 70% of all online concert ticket sales are completed through
10 ticketmaster.com or Ticketmaster-operated websites (*i.e.*, "white-label" sites).

11 66. According to a report by the American Economic Liberties Project, the
12 top 100 concert amphitheaters and arenas worldwide generated nearly 50 percent of
13 concert sales in 2022. According to PollStar's 2022 venue data, 88 of the top 100
14 amphitheaters are located in the United States. Live Nation controls most of the top
15 grossing amphitheaters in the United States, operating 56 or 64% of them.
16 Ticketmaster also operates as the sole ticketing provider for 82% of the top
17 amphitheaters in the U.S., as well as 77% of the top 100 amphitheaters worldwide.
18 Among the top 100 arenas worldwide, 68 are based in the U.S. and 53 of those, or
19 78%, are serviced by Ticketmaster. Ticketmaster-serviced arenas contributed an
20 overwhelming 83% of the gross revenue generated by these top U.S. arenas,
21 whereas venues served by the next closest competitor (AXS) accounted for only
22 9.3%. The Company's dominance in these markets is striking:
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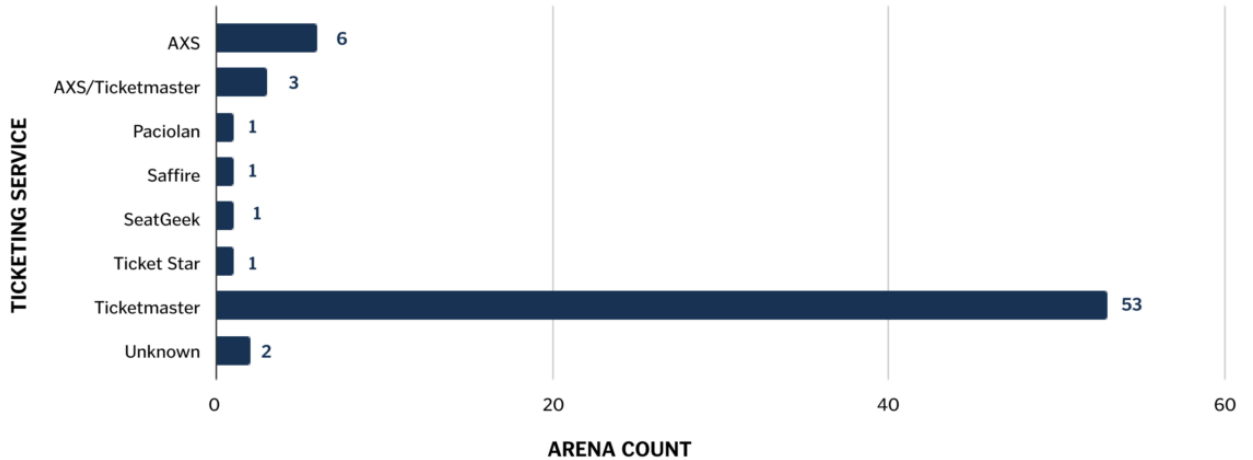
TOP US-BASED AMPHITHEATERS BY VENUE OPERATOR



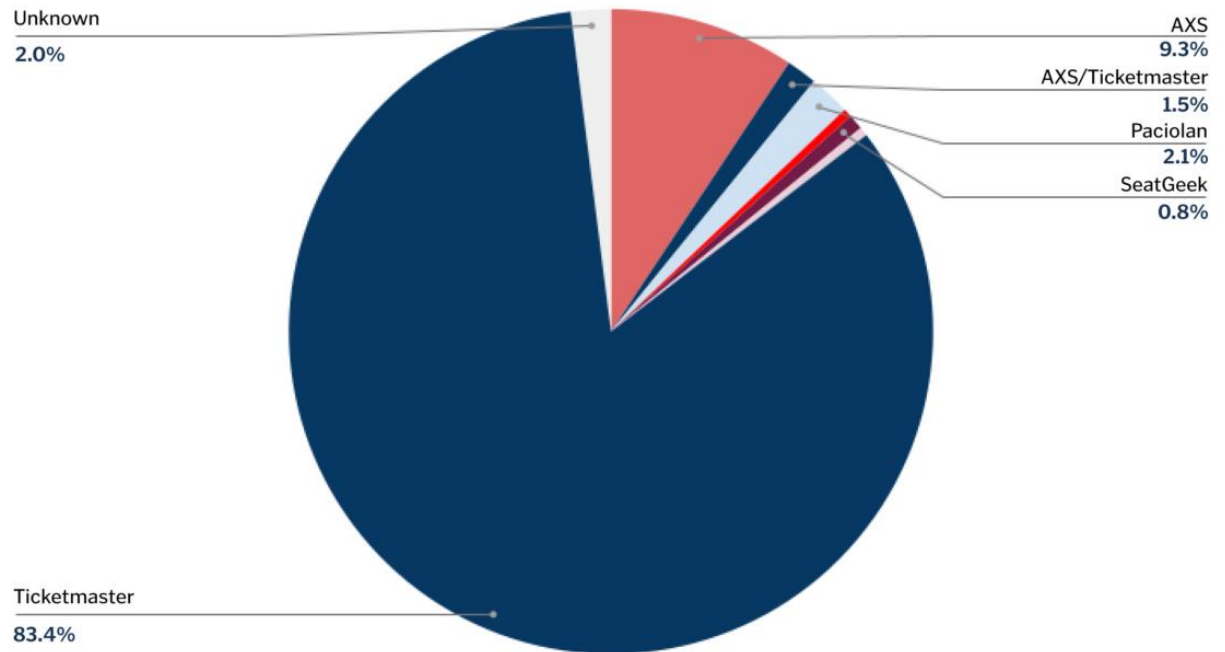
ANNUAL GROSS REVENUE FROM TOP 100 AMPHITHEATERS BROKEN DOWN BY VENUE TICKETING PROVIDER



US-BASED ARENA COUNT PER TICKETING SERVICE



GROSS REVENUE BY TICKETING PROVIDER (TOP 68 US-BASED ARENAS)



67. Live Nation uses Ticketmaster almost exclusively for ticketing services and actively seeks to dissuade artists under its management from using any other ticketing platform for the artists' presales.

1 68. A potential competitor seeking to enter the primary ticketing services
2 market also faces high upfront costs of capital and time, constituting an additional
3 substantial barrier to entry. A ticketing service provider seeking to compete for the
4 business of major concert venues must develop, maintain, and efficiently operate the
5 required ticketing software and hardware computer systems, and possess the ability
6 and track record to demonstrate the reliability of its computer systems. Moreover,
7 competitors must be able to compete with Ticketmaster's substantial up-front
8 payments offered to customers. Given these baseline requirements, no new entrant
9 has developed or can develop the combination of comparable business
10 characteristics and abilities in order to compete effectively in primary ticketing
11 services with the combination of Ticketmaster and Live Nation.

12 69. Ticketmaster's market power in primary ticketing services is evidenced
13 by the high and supracompetitive fees that it charges for such services, and the
14 restricted output that those fees cause. Ticketmaster's fees can collectively increase
15 the price of a ticket to the consumer by 20-80% over the ticket's face value.

16 70. There are no effective constraints on Ticketmaster's ability to charge
17 these supracompetitive fees because physical box office sales for most concerts and
18 other events, which might bypass some of those fees, are minimal and decreasing.
19 This is because: (a) Ticketmaster sometimes dictates that box office sales cannot
20 begin until a specified time period after the online general sale opens (*e.g.*, for
21 Madison Square Garden, box office sales are prohibited until one day after the
22 general sale commences on ticketmaster.com); (b) consumers understand they have
23 a better chance of obtaining a better seat online; and (c) consumers increasingly
24 prefer online purchases through mobile- or web-based applications.

25 ***Live Nation (via Ticketmaster) Dominates the Market***
26 ***for Secondary Ticketing Services***

27 71. Secondary ticketing services facilitate the resale of tickets, and they
28 provide a distinct role in the live music industry. Similar to online auction websites

1 like eBay, a secondary ticketing service provider offers an online platform that
2 allows ticket holders to post their tickets for sale. The ticket holder/seller determines
3 the sale price for the ticket. The secondary ticketing platform then provides potential
4 purchasers with search capabilities to locate tickets. If a purchaser wants to buy
5 tickets for sale on the platform, they fill in their purchase information and the
6 platform completes the sale. Typically, the secondary ticketing service provider
7 charges fees to both the seller and purchaser, usually a percentage of the sale price
8 of the tickets.

9 72. Primary and secondary ticketing services are broadly recognized as
10 distinct markets. The Company's CEO, Rapino, for example, has been repeatedly
11 quoted discussing the difference between the two types of service, specifically
12 commenting that Ticketmaster has grown its secondary ticketing services
13 substantially over the past several years. Industry sources also regularly recognize
14 the difference between the services, and secondary ticketing service providers are
15 often listed and grouped as a distinct category of provider, although there is some
16 overlap between the companies that provide such services.

17 73. Several other factors also demonstrate the unique and separate nature of
18 the market for secondary ticketing services for major concert venues:

19 (a) Secondary ticket sellers and purchasers recognize the distinction
20 between primary and secondary ticketing service providers. In fact, in
21 Live Nation's 2022 annual report filed with the SEC on Form 10-K
22 ("2022 10-K"), Live Nation repeatedly distinguishes between
23 "ticketing services" and "ticketing resale services," noting that the
24 former serves venues and the latter serves resellers, and that the
25 services they each provide are different. The 2022 10-K also
26 distinguishes between "primary ticketing companies" and "secondary
27 ticketing companies," and between primary ticket sales and the
28 "secondary ticket sales market." Public analyses of the ticketing
industry also regularly sort primary and secondary ticketing service
providers into different categories.

(b) Secondary ticketing services have a purpose distinct from primary
ticketing services: the latter are meant to facilitate the original sale of

1 tickets on a venue's behalf, and the former are meant to facilitate ticket
2 purchasers' resale of their tickets to other consumers at a later date.

3 (c) The customers for secondary ticketing services are distinct from the
4 customers for primary ticketing services for events at major concert
5 venues. For primary ticketing services, major concert venue operators
6 retain primary ticketing service providers to sell tickets to consumers.
7 For secondary ticketing services, the ticket sellers are consumers who
8 bought a ticket and now wish to resell that ticket. The ticket buyers
9 who utilize the two types of ticketing services are also distinct, in that
10 the secondary ticket buyers are purchasers who were unable to obtain
11 the ticket they wanted from the primary ticketing service provider, and
12 therefore needed to look for resale options instead.

13 (d) There are distinct pricing models between the two ticketing service
14 markets. Primary ticketing service providers generate profits by levying
15 fees on top of a ticket's face value, paid by the ticket purchaser. The
16 venue does not pay these fees and often shares in a portion of the fees,
17 sometimes even setting the fee levels. Unlike in the primary market, a
18 secondary ticketing service provider typically charges the ticket seller a
19 fee, often a percentage of the sale price of the ticket. Secondary
20 ticketing service providers also charge the purchaser one or more fees
21 on the sale, thus obtaining profits from both sides of the transaction.

22 (e) Demand for secondary ticketing services is not sensitive to changes in
23 prices for primary ticketing services, because such changes do not
24 cause secondary purchasers to choose a different set of services. It is
25 irrelevant to secondary ticket sellers and purchasers whether the prices
26 primary purchasers pay for a venue's primary ticketing service provider
27 (*i.e.*, the fees those primary ticket purchasers pay) change in any real
28 way. What matters for the secondary market customers is that they
have a service available to resell tickets or purchase resold tickets.

(f) There are specialized vendors that are largely distinct between the
primary and secondary ticketing service markets, and the platforms
they provide are substantially different, depending on the ticketing
service involved. For primary ticketing service providers, the platform
is venue-specific, and the services provided are aimed at facilitating a
sale of primary tickets—which often includes the high-volume rush
once tickets go on sale—as well as providing on-the-ground ticketing
services at the actual event (*e.g.*, employees scanning tickets at the

1 door). Secondary ticketing service providers must instead provide a
2 platform that focuses on connecting resellers and purchasers.

3 74. In the secondary ticketing services market, Ticketmaster has a very
4 small number of substantial competitors. Upon information and belief, along with
5 Ticketmaster, those few secondary ticketing service providers control the vast bulk
6 of the market for secondary ticketing services for major concert venues, such that
7 Ticketmaster would stand to control roughly 70-80% of the market by eliminating
8 those few competitors via the anticompetitive acts alleged herein.

9 75. Ticketmaster provides both primary and secondary ticketing services
10 for major concert venues. Ticketmaster is unique in that it is the only ticketing
11 services provider in the nation to have substantial shares of both markets. Most of
12 Ticketmaster's competitors for major concert venue ticketing services operate in
13 only one market or the other, and the very small handful who operate in both focus
14 primarily on one of the two markets with only a small presence in the other.

15 76. Ticketmaster currently controls over 70% of the primary ticketing
16 services for major concert venues market, and, upon information and belief, over
17 60% of the secondary ticketing services for major concert venues market. No other
18 companies even remotely approach Ticketmaster's share of either market.

19 77. Even if the primary and secondary ticketing services for major concert
20 venues were deemed one single ticketing services market, Ticketmaster would still
21 have monopoly power. The U.S. Government Accountability Office ("GAO")
22 recently noted that the primary ticketing services market in the United States is
23 larger than the secondary ticketing services market. Upon information and belief,
24 Ticketmaster's dominance in primary ticketing services and its growing share of
25 secondary ticketing services therefore means that it would still have well over 60%
26 of a hypothetical combined ticketing service market for major concert venues.

***Live Nation Dominates the Market
for Concert Promotion Services***

78. Upon information and belief, Live Nation controls at least 60% of concert promotion services for major concert venues. AEG Live is Live Nation's closest competitor, with roughly 20% of the market. Live Nation, however, promotes the vast majority of the top grossing touring acts in the world (who tour almost exclusively at major concert venues), and it is the only promoter that has a direct corporate relationship with the nation's most dominant ticketing service provider, Ticketmaster.

79. Live Nation has distinct advantages over competitors like AEG Live. Neither AEG Live nor any likely entrant to the concert promotion services market possesses the combination of attributes to threaten Live Nation's dominant market power over artists and major concert venues. A potential competitor seeking to enter the concert promotion market at a comparable scale to that of Live Nation would encounter sky-high costs and a long ramp-up timeline. Promoters for major concert venues must have the ability to provide substantial up-front payments to artists. Artists seeking to promote a national tour that includes major concert venues require employees with the expertise, contacts, and business acumen to organize and promote such a tour (and with particularized knowledge of how to promote shows at such venues), who must necessarily be located throughout the country in the various regions the tour will visit. A prospective new entrant would need a substantial investment of capital and time to develop the combination of attributes necessary to begin to compete with Live Nation in the market for concert promotion services.

80. For nearly two decades, Live Nation has dominated the market for concert promotion services. It has maintained its dominance by virtue of its size and scope, as well as anticompetitive and unfair business tactics, including acquisitions of competing promoters, and incurring losses via significant overpayment to artists

1 (i.e., predatory bidding) with the aim of reducing or eliminating rival promoters'
2 access to clients.

3 81. For example, FE2 described the Company's persistent practice of
4 trying to buy out competing venues. According to FE2, smaller promoters and
5 venues just couldn't compete with Live Nation. "If you're a small promoter who's
6 fighting the [] gorilla who has all the content and has unlimited pockets tell me what
7 you would do. At a certain point you'd turn around and sell because you just can't
8 fight the behemoth for long. If they offered a band \$20, I'd offer \$30. If they offered
9 \$40, I'd offer \$60 and I'd run the price up and then walk out at the end. Our buyers
10 would do that routinely."

11 82. Additional entry barriers to Live Nation's concert promotion
12 dominance have also emerged since it merged with Ticketmaster, because
13 Ticketmaster provides the bulk of the merged firm's annual operating income.
14 Buoyed by that income stream from Ticketmaster, Live Nation is able to offer
15 higher payments to artists than other concert promoters, and to use its promotion
16 business as a loss leader to generate outsized profits for its ticketing and sponsorship
17 businesses which it ties to the promotion business. In 2019, for example, Live
18 Nation reported in SEC filings that its promotion business operated at a \$53 million
19 dollar loss. In the same period, Ticketmaster generated nearly \$232 million in
20 operating income. In 2022, Live Nation's adjusted operating margins for its
21 Concerts segment were a paltry 1.3%, while its Ticketing segment pulled in margins
22 of 37.6%.

23 83. Live Nation's ability to price concert promotion services in this way—
24 losing money or surviving with razor-thin margins year after year—is one of the
25 reasons why Live Nation has durable market power over its smaller competitors.
26 Armed with that unique pricing ability, Live Nation has only grown its market share
27 and power without fear of serious competition.
28

1 84. As FE3 described, Ticketmaster’s ability to “spread their losses across
2 all of the other clients that are profitable” makes it extremely difficult for other firms
3 to compete. Per FE3, Ticketmaster’s primary competitors, including SeatGeek,
4 AXS, or Tickets.com “just don’t have the financial ability to do those deals and still
5 be a profitable company.”

6 85. Live Nation’s market power is also supported by current trends in the
7 music industry. Whereas, in previous decades, revenues from recorded music were
8 musicians’ main source of income, with touring revenues providing a smaller
9 income stream, that dynamic has thoroughly reversed itself. This shift places much
10 more economic importance on the touring portion of artists’ careers, making them
11 more reluctant to defy Live Nation by selecting a different promoter and/or planning
12 tours that avoid Ticketmaster-controlled major concert venues (which is largely
13 impracticable for tours in the United States).⁵ Indeed, Defendant Rapino has
14 admitted that artists today make substantially all of their income from live music
15 events and that Live Nation is the largest single financier of artists worldwide,
16 having firmly supplanted record companies in that role.⁶

17 86. Since its merger with Ticketmaster in 2010, Live Nation has acquired
18 unparalleled dominance within the live music industry. Whereas, pre-merger,
19 Ticketmaster needed to be cognizant of promoters and artists taking business away
20 from Ticketmaster’s contracted venues, that concern has now disappeared because
21 the post-merger Company promotes, manages, and/or hosts concerts for most of the
22 biggest acts that tour in the United States—*i.e.*, the artists that Ticketmaster and its
23 venue clients most care about.

24 _____
25 ⁵ See Josh Baker, “The Merger and the Damage Done: How the DOJ Enabled an
26 Empire in the Live Music Industry,” *Journal of Intellectual Property and*
27 *Entertainment Law* 3, no. 1, Dec. 2, 2013, available at [https://jipel.law.nyu.edu/vol-](https://jipel.law.nyu.edu/vol-3-no-1-3-baker/)
28 [3-no-1-3-baker/](https://jipel.law.nyu.edu/vol-3-no-1-3-baker/)

⁶ See also *id.*

1 87. Live Nation’s unique position in the live music industry also creates
2 numerous entry barriers that protect and extend Ticketmaster’s dominance. Live
3 Nation’s promotion and artist management businesses, for example, provide a
4 steady stream of business to Ticketmaster and its venue clients that smaller
5 competitors cannot replicate. Prior to its merger with Ticketmaster, Live Nation had
6 begun to challenge Ticketmaster’s dominance by using its stable of artists as an
7 inducement to venue operators to select its own primary ticketing services over
8 Ticketmaster’s. Without that competition, Ticketmaster has grown its market share
9 and can set prices without fear of serious competition from any new entrant.

10 88. In addition to barriers to entry based on the Company’s vertically
11 integrated structure, Live Nation’s anticompetitive practices, including tying
12 agreements, long-term exclusive dealing contracts, “conditioning,” and retaliation,
13 also act as a barrier to entry and dissuade competition in the chief markets in which
14 Live Nation operates.

15 **Live Nation Engaged in Anticompetitive Practices By “Conditioning” and**
16 **“Retaliating” in Violation of the DOJ Consent Decree**

17 89. When Ticketmaster first came to prominence in the 1980s after it
18 helped introduce electronic ticketing, it was able to quickly snap up a web of long-
19 term exclusive dealing contracts with venues throughout the country. Ticketmaster’s
20 share of primary ticketing services for major concert venues continued to grow, and
21 it soon became dominant in that market. It has held that position of dominance ever
22 since, despite multiple attempts by other primary ticketing services to wrest away
23 market share and power.

24 90. Any venue contemplating a contract with Ticketmaster must also keep
25 in mind that Ticketmaster is part of the broader Live Nation empire. As the DOJ
26 described it: “venues throughout the United States have come to expect that refusing
27 to contract with Ticketmaster will result in the venue receiving fewer Live Nation
28 concerts or none at all. Given the paramount importance of live event revenues to a

1 venue’s bottom line, this is a loss most venues can ill-afford to risk.” Thus, for those
2 venues that step out of line, Defendants have the ability to threaten and punish—and
3 have actually punished—venues with a loss of future revenues via denying access to
4 Live Nation concerts.

5 91. The evidence of these efforts to intimidate and coerce venues into using
6 Ticketmaster first came to light in 2019. On August 27, 2019, Senators Richard
7 Blumenthal and Amy Klobuchar sent an open letter to the head of the DOJ’s
8 Antitrust Division regarding their significant concerns about Live Nation and
9 Ticketmaster’s anticompetitive conduct. Among other things, Senators Blumenthal
10 and Klobuchar noted that the DOJ’s 2010 consent decree “imposed behavioral
11 conditions to prevent Ticketmaster from using its dominance to stifle new
12 competitors,” including “prohibit[ing the Company] from withholding concerts that
13 Live Nation promotes or concerts by artists that Live Nation manages from venues
14 that use a competitor’s ticket platform.” The Senators observed that, at the time of
15 the merger, “many experts were skeptical that the merger conditions were sufficient
16 to create a competitive market,” and that more recent evidence indicated that “the
17 skeptics’ fears have proven correct.” The Senators wrote that they were “deeply
18 disturbed by reports that Ticketmaster has violated the behavioral conditions by
19 retaliating against venues that use a competing ticket platform.”

20 92. Senators Blumenthal’s and Klobuchar’s letter echoed an April 2018
21 investigative piece from *The New York Times* that the DOJ had begun investigating
22 numerous complaints from Ticketmaster’s competitors that Live Nation “used its
23 control over concert tours to pressure venues into contracting with its subsidiary,
24 Ticketmaster.” AEG, the second-largest primary ticketing services provider in the
25 United States, “told [DOJ] officials that venues it manages that serve Atlanta; Las
26 Vegas; Minneapolis; Salt Lake City; Louisville, Ky.; and Oakland, Calif., were told
27 they would lose valuable shows if Ticketmaster was not used as a vendor.” AEG
28 backed up these complaints with emails from the venues, including one in which a

1 venue booking director asked Live Nation to address any issues regarding booking,
2 to which the Live Nation representative replied, “Issue? ... Three letters. Can you
3 guess what they are?” The following year, Live Nation then halved the number of
4 Live Nation-promoted tours that stopped at that venue. AEG reportedly provided the
5 DOJ with numerous other examples.

6 93. On December 19, 2019, the DOJ issued a press release stating that
7 “[d]espite the prohibitions in the Final Judgment [consent decree], Live Nation
8 repeatedly and over the course of several years engaged in conduct that, in the
9 Department’s view, violated the Final Judgment.” The DOJ accordingly moved for
10 an amendment to the consent decree that extended the decree for five and a half
11 years and alleged several specific acts that directly violated its terms. As part of the
12 agreement resolving this enforcement action, Live Nation agreed to oversight from
13 an independent monitor and that any violation of the consent decree would incur an
14 automatic \$1,000,000 fine.

15 94. In the DOJ’s motion to amend the 2010 consent decree, it included
16 several instances of the Company’s wrongful, anticompetitive conduct. These
17 examples include:

18 (a) In early 2012, the President of Live Nation Arenas threatened on
19 multiple occasions to divert Live Nation concerts away from a venue if it
20 did not select Ticketmaster as its primary ticketer. After that venue did not
21 select Ticketmaster, two Live Nation executives—the President of Live
22 Nation Arenas and the local Live Nation President in charge of placing
23 concerts in the region—repeatedly threatened that the venue would not get
24 Live Nation shows unless it switched to Ticketmaster. When the venue
25 refused to switch to Ticketmaster despite these threats, Live Nation indeed
retaliated against the venue by reducing the number of concerts played
there. Between 2011 and 2015, Live Nation shows playing at the venue
dropped by an average of almost 50%.

26 (b) In another instance, an arena venue switched from Ticketmaster to a
27 competitor. Immediately after learning that the venue had switched
28 providers, Ticketmaster’s President contacted the local Live Nation
President responsible for placing concerts in the region to suggest that

1 Live Nation book more shows at the venue's nearby rival venue. In the
2 two years following the venue's move to a Ticketmaster competitor, Live
3 Nation significantly reduced the number of shows promoted at the venue.

4 (c) In 2017, Live Nation threatened to withhold concerts from a venue if
5 that venue did not contract with Ticketmaster, and then refused to book
6 concerts at the venue for a year in retaliation for its selection of a
7 competing ticketing service provider. In that instance, the venue had
8 issued a request for proposal only for ticketing services and not for live
9 content. Nevertheless, when Ticketmaster met with the venue's ticketing
10 committee, a Live Nation promoter responsible for deciding where in the
11 region to place Live Nation concerts also attended the meeting. At the
12 meeting, the Live Nation promoter explicitly threatened to withhold
13 concerts from the venue if it did not select Ticketmaster. A few weeks
14 later, when the venue informed the Live Nation promoter that it planned to
15 select a competing ticketer that had offered better financial terms, the
16 promoter responded that the competitor's offer would not be better than
17 Ticketmaster's if the venue did not receive as many Live Nation shows.
18 The Live Nation promoter went on to specify that Live Nation would not
19 book shows at the venue unless it had no other options in the market.
20 Before the venue's decision not to contract with Ticketmaster, Live Nation
21 estimated that for the next several years it would book three to four shows
22 per year at the venue. But in the year following the venue's switch to
23 Ticketmaster's competitor, Live Nation promoted zero shows at the venue.

24 (d) Also in 2017, another venue evaluated offers for primary ticketing
25 services from Ticketmaster and several competitors. When the venue
26 informed Live Nation that it was planning to choose Ticketmaster's
27 competitor, Ticketmaster's Vice President for Client Development
28 threatened to withhold all Live Nation concerts from the venue if it did not
renew its contract with Ticketmaster. The Ticketmaster VP told the venue
that "if you move in that direction, you won't see any Live Nation shows."
Ticketmaster's Executive Vice President and Co-Head of Sports for NBA
and NHL Arenas made a similar threat to the venue, telling it that Live
Nation's CEO, Rapino, would never put one of his shows on sale through
that particular Ticketmaster competitor. Despite Defendants' threats, the
venue initially selected a Ticketmaster competitor as its primary ticketing
provider. Before that ticketing decision, Live Nation and the venue
discussed potential bookings approximately once per week. But when the
venue opted to go with Ticketmaster's competitor, Live Nation stopped
contacting the arena about any possible concerts or booking shows at the
venue. For unrelated reasons, one month later, the venue agreed to contract

1 with Ticketmaster. Immediately thereafter, Live Nation began to get
2 “geared back up” to bring concerts to the venue, because the venue was
3 “back in the family.”

4 (e) In September 2018, a different venue began evaluating primary
5 ticketing providers in advance of the expiration of its Ticketmaster
6 contract. When the venue told Ticketmaster that it was considering other
7 primary ticketers, Ticketmaster’s executive in charge of Sports for NBA
8 and NHL Arenas told the venue that if it chose another primary ticketer, its
9 Live Nation concert volume would be put at risk because Live Nation
10 concerts would either skip the market altogether or play at another venue.
11 Later, that senior executive reiterated his threat that if the venue went with
12 another primary ticketing provider, Live Nation would pull concerts from
the venue and reduce the volume of shows held there. Despite receiving a
competitive bid from a Ticketmaster competitor, the venue determined that
the risk of contracting with a ticketing service provider other than
Ticketmaster was too great and it renewed its contract with Ticketmaster.

13 (f) In yet another instance, the Company threatened to blacklist a certain
14 venue from all future Live Nation shows after the venue decided to
15 contract with Ticketmaster’s competitor for primary ticketing services.
16 According to the venue’s executive, Ticketmaster’s President warned the
17 executive that if the venue went with a competing ticketing service
18 provider, Ticketmaster’s response “would be ‘nuclear’” and “Live Nation
19 would never do a show in our building, that they would find other places
20 for their content....” Following a conversation with Ticketmaster’s
21 President, a second executive from the venue reported that Ticketmaster
and Live Nation “will not do any business whatsoever with our stadium”
and that Ticketmaster was “drawing a line in the sand and picking this as
their ‘hill to die on.’” The venue executive went on to state his
understanding that the venue was “now on ‘the black list.’”

22 95. On information and belief, the above examples are not isolated
23 instances but instead reflect a widespread and continuing practice directed,
24 encouraged, and mandated from and also actively participated in and conducted by
25 Live Nation’s highest executives on down. Rapino publicly stated in September
26 2019 that Live Nation’s concert promotion segment considers whether a venue
27 selected Ticketmaster as its primary ticketing service provider. If the venue did not,
28 Rapino stated that it “won’t be the best economic place anymore” for Live Nation-

1 promoted tours “because we don’t hold the revenue.” Live Nation thus made
2 explicit threats and, as the DOJ reported, backed up those threats with actual
3 retaliation by withholding Live Nation shows from venues that sought to work with
4 a Ticketmaster competitor.

5 96. Reports from former Live Nation employees corroborate that this
6 anticompetitive conduct was continuing during the Class Period.

7 97. FE1 reported that when choosing which venue Live Nation would use
8 for a concert, “a lot of times it just comes down to where does Live Nation have the
9 better kickback deal, so if it comes down to two venues and all things are equal but
10 one venue is using Ticketmaster and the other isn’t it’ll go to the Ticketmaster venue
11 ten times out of ten.” As FE1 described, “it wasn’t ever really much of a secret,” and
12 that “I would say you’d be hard pressed to find anyone above Director or above a
13 Manager level ... who would say otherwise. ... It was just part of the business
14 plan.”

15 98. FE1 also explained that it was “common knowledge” that Live Nation
16 used anticompetitive tying practices to freeze out competitors. FE1 noted that
17 “obviously since the [Senate] hearings started it sheds a different light on what was
18 happening.”

19 99. FE3 has personally experienced losing a deal to Ticketmaster where the
20 venue freely admitted that the ticketing software offered by FE3’s company (a
21 primary competitor of Ticketmaster) was superior to Ticketmaster’s, “but there’s a
22 fear of losing [Live Nation] shows. ... Wherever there is a building that does a lot of
23 concerts on top of sports – like NBA and NHL games – they might have 45, 50
24 NBA games but they also put on 100 to 150 shows throughout the year with a lot of
25 those shows being booked by Live Nation so there’s a fear of losing that content.
26 That’s how we lose a lot of those deals.”

**Live Nation Engaged in Anticompetitive Practices
in the Secondary Ticketing Market**

100. The rise of the internet helped create a viable and robust secondary market for concert tickets in the U.S. The internet allowed secondary ticketing service providers to create platforms where secondary ticket sellers and purchasers could easily arrange and transact ticket resales. Ticket resellers suddenly had a far broader reach to potential customers via online platforms that dramatically lowered the transaction costs for ticket resales. These conveniences allowed the market to flourish, which created substantial benefits for ticket resellers and purchasers.

101. Many states have enacted laws ensuring that ticket purchasers may resell their tickets, and secondary ticket sale platforms exist today because there is substantial demand for secondary ticketing services. Until Live Nation's actions there was robust competition between secondary ticketing services providers, which benefited consumers who wanted to purchase secondary tickets.

102. Over the years, the Company made a concerted effort to grow its secondary ticketing services in addition to its dominant primary ticketing service, so that it could make money off the initial purchase and resales of the very same concert tickets. This was a mandate from Rapino on down.

103. Ticketmaster first entered the secondary ticketing services market by acquiring preexisting secondary ticketing service providers. It kept the platforms separate from its primary ticketing website for several years. Recently, however, the Company integrated those secondary ticketing service providers into Ticketmaster's online platform, such that consumers can now purchase primary *or* secondary tickets off of Ticketmaster.com or the Ticketmaster mobile app, and may not even know if they are purchasing a primary or secondary ticket at the time of the purchase.

104. Given the optics problems from publicly embracing ticket brokers and other entities whose business is purchasing and reselling tickets at a markup, Live Nation has claimed to be taking efforts to stifle broker behavior. One of the primary

1 ways Live Nation does so is through the “conditional license” Ticketmaster grants to
2 users of its website and/or mobile app. The conditional license allows users to use
3 Ticketmaster’s site only if they agree to a bevy of restrictions that prevent brokers
4 from purchasing tickets from Ticketmaster and then reselling them on rival
5 secondary ticketing platforms. As one example, the conditional license prevents
6 users from refreshing Ticketmaster’s ticketing pages “more than once during any
7 three second interval.” The conditional license also restricts the use of “ticket bot
8 technology,” which makes it more difficult for brokers to engage in bulk purchases
9 of tickets. Ticketmaster claims elsewhere that it will put brokers to the back of the
10 electronic line if it spots them in the digital queue.

11 105. This tactic is simply one more tool the Company uses to stifle
12 competition. Ticketmaster’s conditional license plays into this scheme by acting as
13 the proverbial stick Ticketmaster wields against ticket brokers. Ticketmaster
14 allocates primary tickets for a ticket broker only if that broker agrees it will resell its
15 tickets through Ticketmaster’s secondary ticket platform. If the broker does not
16 agree, then Ticketmaster will use the conditional license to try to keep the broker off
17 its platform. It is able to do so with impunity because of the power Ticketmaster
18 holds over the supply of primary tickets at major concert venues, and because Live
19 Nation, as the dominant concert promoter in the nation, controls the vast bulk of
20 major concert tours. Faced with this potent combination, ticket brokers seeking to
21 resell major concert venue seats have no other choice but to use Ticketmaster’s
22 secondary ticketing services, even though Ticketmaster is not as attractive a
23 platform for secondary sellers as some of its competitors. Upon information and
24 belief, brokers that have agreed to this setup include DTI, Dynasty, and Eventellect.

25 106. Another tactic Ticketmaster employs to dominate secondary ticketing
26 services for major concert venues is to limit primary purchasers’ ability to transfer
27 their tickets through any means other than Ticketmaster’s secondary ticketing
28 platform. The Company does so most prominently through a combination of mobile

1 ticket and Ticketmaster’s branded “SafeTix” technology. The goal of these efforts is
2 to prevent primary ticket purchasers from using competing secondary ticketing
3 service platforms.

4 107. Due to the rise of smartphone usage, many primary ticketing service
5 providers have developed electronic ticket technology. Primary purchasers receive
6 an email with a link to their mobile ticket or receive the ticket directly on a
7 smartphone application that the primary ticketing service provider creates and
8 provides. That mobile ticket usually includes a QR or other type of electronic code
9 that attendants at an event scan to permit the purchaser to enter.

10 108. Historically, primary ticket purchasers have been able to transfer
11 electronic tickets easily. Either as the result of a resale or simply in order to send the
12 ticket to a friend or family member, primary purchasers could send their ticket
13 electronically and without cost. A ticket reseller could upload their electronic ticket
14 to the secondary ticketing platform or send it directly to a secondary purchaser after
15 the completion of the resale transaction.

16 109. Recently, however, Live Nation has taken steps to prevent primary
17 ticket purchasers for events at major concert venues ticketed by Ticketmaster from
18 transferring their tickets, except through Ticketmaster’s secondary ticketing
19 platform. The Company accomplishes this by utilizing technological limits built into
20 their primary ticketing platform, which they and artists using their services can place
21 on primary tickets sold at major concert venues. Ticketmaster has applied various
22 names to these technological limits over the years, including mobile tickets, Verified
23 Fan tickets, and, more recently, SafeTix. SafeTix, in particular, demonstrates the
24 insidious competition problems these transfer restrictions create.

25 110. The Company advertises SafeTix as “encrypted mobile tickets built
26 with leading-edge technology” that “come standard with powerful fraud and
27 counterfeit protection.” They “are powered by a new and unique barcode that
28 automatically refreshes every few seconds so it cannot be stolen or copied, keeping

1 your tickets safe and secure.” The tickets are only available on Ticketmaster’s
2 smartphone application. A SafeTix ticket holder supposedly can transfer some or all
3 of their tickets to someone else “[i]n just a few taps” of their smartphone. The
4 technology also “ma[kes] it a snap to sell your tickets on the world’s largest
5 marketplace [*i.e.*, Ticketmaster’s secondary ticketing platform] in a few taps.”

6 111. Similar to the conditional license, however, the Company uses SafeTix
7 (and its functional predecessors) for anticompetitive purposes. Primary ticket
8 purchasers typically expect that they can resell their tickets wherever and however
9 they want. SafeTix purchasers are often restricted from transferring their tickets
10 through (competing) external platforms. In fact, the only way to know if a purchaser
11 can transfer their tickets is if they “look for the ‘Transfer Tickets’ button on your
12 order [*i.e.*, after the purchase]. If transfer is not available, the button will not be
13 there.” In some instances, primary purchasers have no advance notice of this
14 limitation on their transferability,⁷ or were allowed to resell their tickets only
15 through Ticketmaster’s secondary ticketing platform.⁸

16 112. Competing secondary ticketing service providers require a free-flowing
17 supply of tickets. Without a supply of primary tickets to list on their platforms,
18 secondary ticketing service providers simply cannot compete. Furthermore,
19 competing secondary ticketing service providers have no ability to circumvent the
20 technological limits the Company has increasingly placed on ticket transferability.

21 113. The Company’s use of the conditional license to force secondary
22 resellers to use Ticketmaster’s platform, as well as their limitations on ticket
23

24 ⁷ See, *e.g.*, Sarah Pittman, *The Black Keys’ Wiltern Snafu Thrusts SafeTix Into*
25 *Spotlight*, Pollstar (Sept. 26, 2019), <https://www.pollstar.com/News/the-black-keys-wiltern-snafu-thrusts-safetix-into-spotlight-141163>.

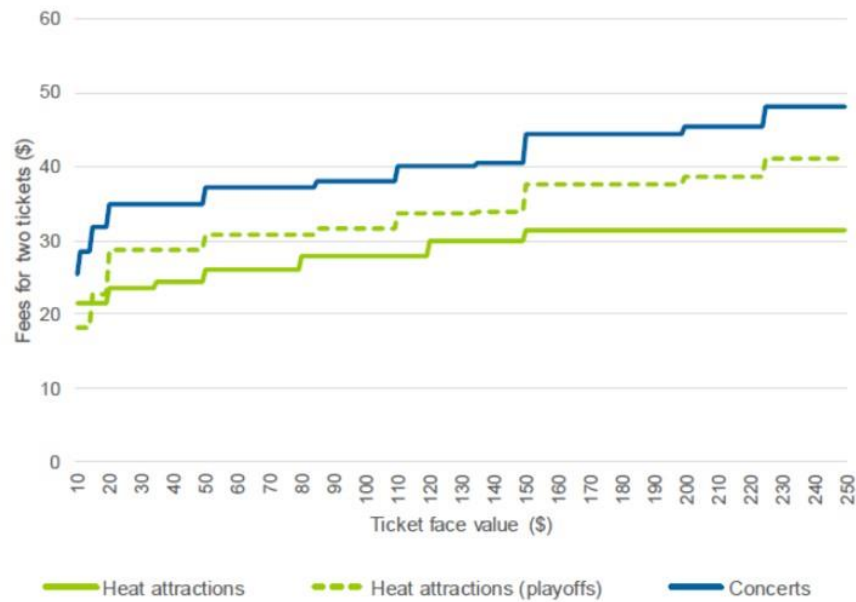
26 ⁸ See, *e.g.*, *Pearl Jam Deploys TicketMaster’s SafeTix Tech*, Ticketing Business
27 News (Jan. 17, 2020), <https://community.pearljam.com/discussion/283246/pearl-jam-deploys-ticketmaster-s-safetix-tech>.
28

1 transferability, have had anticompetitive effects for both primary and secondary
2 ticketing services. These actions also harm consumers because, despite the fact that
3 Ticketmaster's secondary ticketing services competitors charge lower fees,
4 Ticketmaster has increased its secondary ticketing market share, leading to the
5 Company generating supracompetitive fees.

6 **Live Nation's Conduct Has Had Anticompetitive Effects**

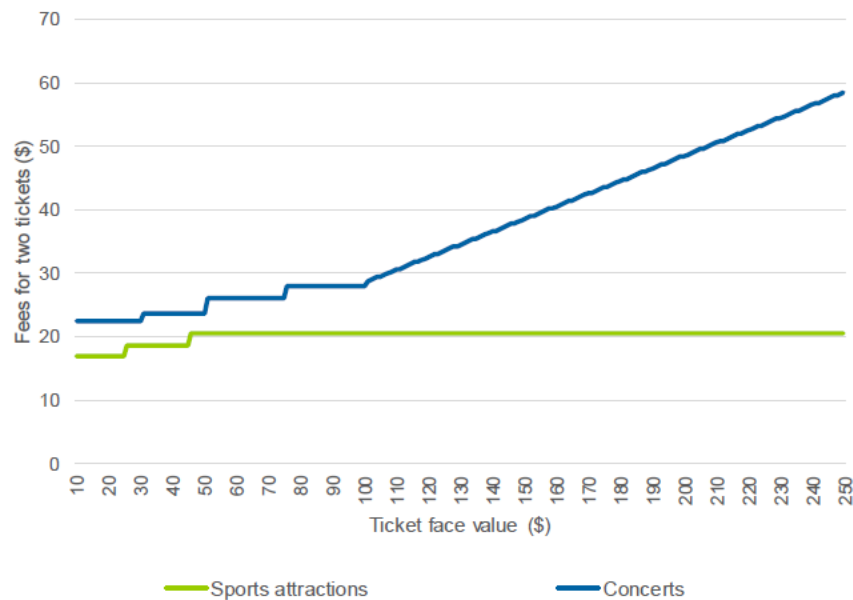
7 114. As a result of the Company's anticompetitive conduct, consumers have
8 paid supracompetitive fees on primary ticket purchases for years. Ticketmaster has
9 reduced competition for such services through the anticompetitive conduct
10 described above and therefore largely immunized itself from price competition on
11 its ticketing fees. Thus, consumers who would otherwise be able to obtain primary
12 tickets at lower overall cost must pay supracompetitive prices to obtain tickets from
13 Ticketmaster, or else not be able to obtain tickets at all in the primary market.

14 115. For example, some major concert venues are also sport venues. There
15 are instances where Ticketmaster is the exclusive primary ticketing service provider
16 for the live music events at a major concert venue, but is not the exclusive primary
17 ticketing service provider for the sports events at the venue. As of late 2017, one
18 such venue was the American Airlines Arena, in Miami. The following chart
19 compares the ticketing fees for the live music events, for which Ticketmaster was
20 the exclusive primary ticketing service provider, against the NBA's Miami Heat
21 games, for which it was not. The fees on live music events were markedly higher:
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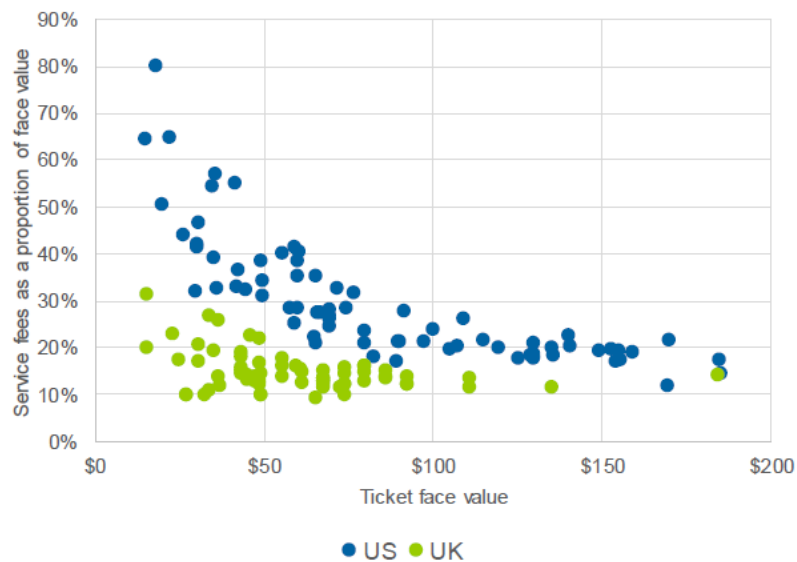
Source: Ticketmaster, "Licensed User Agreement," Oct. 28, 2014, 8–10 (TM00000362 at -369–371, -373).

116. A similar pattern emerges at Philips Arena, Atlanta, which has a similar separation between Ticketmaster's exclusivity over primary ticketing for live music events, and its lack of exclusivity over sporting events:



Source: Ticketmaster, "Licensed User Agreement," Jul. 11, 2011, 50 (TM00000243 at -289–291).

117. The United Kingdom is a geographic market in which no one provider has extensive exclusive deals for primary ticketing services. In the U.K. market it is very rare for a single provider to conduct all primary ticketing services at a venue. Instead, the venue typically selects a provider for a portion of primary ticketing sales, and then others involved with the show (*e.g.*, the promoter, artist, etc.) each may select their own primary ticketing service provider(s) for a portion of the tickets. Ticketing service providers therefore compete with each other, including by offering lower fees for fans. As the data show, ticketing fees in the U.S. (where Ticketmaster exerts its market dominance) are consistently higher than the fees for tickets with the same face value in the U.K.:



Note: Fees calculated on the basis of a purchase of two tickets at the given face value. Y-axis represents (total fees) / (total combined face value). Ticket face value is given in USD. UK ticket prices converted to USD at the exchange rate available at the time of data collection.

118. Live Nation's anticompetitive conduct has also harmed competition in the secondary ticketing services market. Consumers of secondary tickets are harmed by having to pay inflated fees when purchasing from Ticketmaster rather than competitors. The fees that Ticketmaster charges secondary ticket purchasers are, on average, significantly higher than those charged by its competitors. Secondary ticket resellers are normally incentivized to resell tickets wherever they and potential purchasers would incur the lowest fees.

1 119. Ticketmaster's secondary ticket reseller fees are either the same or
2 higher than its competitors' fees, making the secondary ticket transaction either
3 neutral or worse for resellers if they use Ticketmaster's platforms (*e.g.*, TicketsNow
4 and TicketExchange) as opposed to its competitors' platforms.⁹ Ticketmaster's
5 competitors also charge lower fees to secondary ticket purchasers than Ticketmaster
6 charges.

7 120. Accordingly, a rational ticket reseller would normally choose
8 Ticketmaster's competitors if they want to maximize their profits. Thus, in a
9 competitive market, one would expect Ticketmaster to have no (or very little)
10 secondary ticketing service growth, or that it would lower its fees in order to
11 compete with lower-priced competitors.

12 121. Instead, Ticketmaster's secondary ticketing services have enjoyed
13 explosive growth since the Company prioritized that business over the past few
14 years, without competing on fees. Ticketmaster grew its market share in secondary
15 ticketing services for major concert venues via anticompetitive conduct while
16 maintaining supracompetitive prices.

17 122. Defendants' efforts to restrict the ability of ticket brokers and
18 consumers to use other platforms have also had the effect of anticompetitively
19 raising prices for its primary ticketing service fees. This is because, *inter alia*, fees
20 levied on primary ticket sales are typically set as a percentage of, or set fee based
21 on, the face value of the primary ticket. By artificially inflating the demand for
22 primary ticket sales, the Company drives up the face values of tickets overall, which
23 leads to higher ticketing fees.

24 123. In addition to the empirical evidence discussed above with respect to
25 lower primary ticketing services fees in the United Kingdom, similar evidence from
26

27 ⁹ Ticketmaster acquired TicketsNow in February 2008 for \$265 million.
28 TicketsNow operates as a wholly owned subsidiary of Ticketmaster.

1 the same market shows that greater competition in secondary ticketing services has a
2 similar downward effect on price. In an analysis of secondary ticketing fees in the
3 United States, the GAO noted that while service fees for U.S. venues that the GAO
4 reviewed averaged 22% of a ticket's face value and could reach as high as 38%,
5 "[i]n the United Kingdom, where the venue and promoter typically contract with
6 multiple ticket sellers, ticket fees are lower than in the United States—around 10
7 percent to 15 percent of the ticket's face value, according to a recent study."¹⁰

8 124. The result of the Company's efforts is the substantial decrease in
9 competition in the relevant markets for primary and secondary ticketing services for
10 major concert venues, injuring both competitors and consumers alike.

11 **DEFENDANTS MADE FALSE AND MISLEADING STATEMENTS AND**
12 **OMISSIONS ABOUT LIVE NATION'S ANTICOMPETITIVE BEHAVIOR**
13 **AND COOPERATION WITH REGULATORS**

14 125. On February 23, 2022, Live Nation filed its annual report with the SEC
15 on Form 10-K for the period ended December 31, 2021 ("2021 10-K").¹¹ Rapino
16 and Berchtold signed the 2021 10-K, which stated:

17 From time to time, federal, state and local authorities
18 and/or consumers commence investigations, inquiries or
19 litigation with respect to our compliance with applicable
20 consumer protection, advertising, unfair business practice,
21 antitrust (and similar or related laws) and other laws. ***Our***
22 ***businesses have historically cooperated with authorities***
23 ***in connection with these investigations and have***
24 ***satisfactorily resolved each such material investigation,***
25 ***inquiry or litigation.***

26 ¹⁰ Citing Michael Waterson, *Independent Review of Consumer Protection Measures*
27 *Concerning Online Secondary Ticketing Facilities*, a report prepared at the request
28 of the United Kingdom Department for Business, Innovation and Skills and
Department for Culture, Media and Sport (London: May 2016), 30-31.

¹¹ Unless otherwise stated, all emphasis in bold and italics hereinafter is added.

1 126. This statement was false and misleading because Defendants failed to
2 disclose that: (1) Live Nation engaged in anticompetitive conduct and was not
3 cooperating fully with the ongoing DOJ and Senate Subcommittee investigations;
4 and (2) as a result, Live Nation was reasonably likely to incur regulatory scrutiny
5 and face fines, penalties, and reputational harm. Thus, it was false and misleading to
6 suggest to investors that Live Nation had a practice of full cooperation with
7 investigations, or that the Company was likely to “satisfactorily resolve[]” the DOJ
8 and Senate investigations and potential litigation.

9 127. The 2021 10-K also stated:

10 In the case of antitrust (and similar or related) matters, any
11 adverse outcome could limit or prevent us from engaging in
12 the ticketing business generally (or in a particular segment
13 thereof) or subject us to potential damage assessments, all
14 of which could have a material adverse effect on our
15 business, financial condition and results of operations.

16 128. This statement was misleading because Defendants failed to disclose
17 that: (1) Live Nation engaged in anticompetitive conduct and was not cooperating
18 fully with the ongoing DOJ and Senate Subcommittee investigations; and (2) as a
19 result, Live Nation was reasonably likely to incur regulatory scrutiny and face fines,
20 penalties, and reputational harm. Thus, it was misleading to present as purely
21 hypothetical the risk of an adverse outcome in antitrust matters because Live
22 Nation’s anticompetitive actions already created and heightened this existing risk.

23 129. The 2021 10-K also stated:

24 All three of our segments reported revenue growth due to
25 more events, higher ticket sales and increased sponsor
26 fulfillment over the past twelve months. ... The
27 improvement resulted from increased events, ticket sales
28 and sponsor client activation partially offset by higher
 selling, general and administrative expenses as we brought
 employees back from furlough and began hiring new roles
 to execute 2021 events and prepare for 2022. ...

1 Our Concerts segment revenue for the full year increased
2 by \$3.3 billion, from \$1.5 billion in 2020 to \$4.7 billion in
3 2021. The revenue growth was a result of increased shows
4 and fans during the year as well as higher ancillary spend
5 per fan and pricing at our events. ... The improvement was
6 primarily due to more shows this year, an increase in net
ancillary spend per fan at our amphitheater and festival
events, and growth in pricing across all venue types. ...

7 Our Ticketing segment revenue for the full year increased
8 by \$946 million, from \$188 million in 2020 to \$1.1 billion
9 in 2021. The improvement resulted from an increase in
10 ticket sales, stronger pricing, and a reduction in ticket
11 refunds this year. ... The improvement was almost entirely
12 driven by sales in the United States and the United
13 Kingdom, largely for concert and sporting events. Pricing
14 on our fee-bearing tickets increased by double-digits,
15 reflecting strong consumer demand, particularly for
16 premium seats and VIP experiences. Our resale business
17 bounced back dramatically in the second half of the year
and Q4 was our highest resale gross transaction value
quarter ever, at over \$1 billion. ... The improvement in
operating results was largely driven by increased ticket
sales, strong ticket pricing and higher ancillary revenue
streams.

18 130. Each of these statements were misleading because Defendants failed to
19 disclose that a material factor driving the Company's strong performance in the
20 Concerts and Ticketing segments was the Company's anticompetitive conduct,
21 which was unsustainable due to regulatory scrutiny and investigations of the
22 Company's violations of antitrust laws.

23 131. The 2021 10-K also stated:

24 Competition in the live entertainment industry is intense.
25 We believe that we compete primarily on the basis of our
26 ability to deliver quality music events, sell tickets and
provide enhanced fan and artist experiences. ...

27 ... We believe that barriers to entry into the promotion
28 services business are low and that certain local promoters

1 are increasingly expanding the geographic scope of their
2 operations.

3 * * *

4 We experience competition from other national, regional
5 and local primary ticketing service providers to secure
6 new venues and to reach fans for events. ...

7 We also face significant and increasing competition from
8 companies that sell self-ticketing systems, as well as from
9 venues that choose to integrate self-ticketing systems into
10 their existing operations or acquire primary ticketing
11 service providers. Our competitors include primary
12 ticketing companies such as Tickets.com, AXS, Paciolan,
13 Inc., CTS Eventim AG, Eventbrite, eTix, SeatGeek,
14 Ticketek, See Tickets and Dice; secondary ticketing
companies such as StubHub, Vivid Seats, Viagogo and
SeatGeek; and many others, including large technology
and ecommerce companies that we understand have
recently entered or could enter these markets.

15 132. The above statements were false and misleading because Defendants
16 failed to disclose to investors: (1) that Live Nation engaged in anticompetitive
17 conduct, including improperly tying its underpriced Live Nation concert promotion
18 services to its Ticketmaster services and retaliating against venues that spurned
19 Ticketmaster and improperly restricting consumers' ability to resell tickets using
20 competing secondary ticketing services; and (2) as a result, Live Nation was
21 reasonably likely to incur regulatory scrutiny and face fines, penalties, and
22 reputational harm.

23 133. It was false and misleading to call competition in the live music
24 industry intense when the Company enjoyed monopolistic market power and abused
25 that power to stifle competition. It was misleading to say that the Company
26 competes "primarily on the basis of our ability to deliver quality music events, sell
27 tickets and provide enhanced fan and artist experiences" because Defendants
28 omitted that a material factor in how the Company "competes" in the live music

1 industry is through anticompetitive behavior in violation of antitrust laws. It was
2 false and misleading to say that barriers to entry in the promotion services business
3 are low because Defendants failed to disclose that the Company took efforts to raise
4 those barriers to dissuade potential market entrants by, among other things, using
5 predatory bidding practices subsidized by the Company's much more profitable
6 Ticketing and Sponsorship operations. Similarly, it was misleading to say the
7 Company experiences competition from primary and secondary ticketing service
8 providers when in truth the Company was engaged in anticompetitive conduct
9 aimed squarely at reducing or eliminating competition in those spaces and
10 maintaining the Company's monopolistic position.

11 134. On November 19, 2022, Live Nation issued a statement in response to
12 the reports about the DOJ investigation, stating as follows:

13 *As we have stated many times in the past, Live Nation*
14 *takes its responsibilities under the antitrust laws*
15 *seriously and does not engage in behaviors that could*
16 *justify antitrust litigation, let alone orders that would*
require it to alter fundamental business practices.

17 ...

18 Ticketmaster has a significant share of the primary
19 ticketing services market because of the large gap that
20 exists between the quality of the Ticketmaster system and
21 the next best primary ticketing system. The market is
22 increasingly competitive nonetheless, with rivals making
23 aggressive offers to venues. That Ticketmaster continues
24 to be the leader in such an environment is a testament to
the platform and those who operate it, not to any
anticompetitive business practices. ...

25 Secondary ticketing is extremely competitive, with
26 Ticketmaster competing with StubHub, SeatGeek, Vivid
27 and many others. No serious argument can be made that
28 Ticketmaster has the kind of market position in secondary
ticketing that supports antitrust claims.

1 For the past 12 years Live Nation has operated under a
2 Consent Decree that among other things seeks to prevent
3 anticompetitive leveraging of Live Nation promoted
4 content to advantage Ticketmaster. Pursuant to the
5 Amended Decree voluntarily entered in 2020, Live
6 Nation's compliance is monitored by a former federal
7 judge. There never has been and is not now any evidence
8 of systemic violations of the Consent Decree. ***It remains***
9 ***against Live Nation policy to threaten venues that they***
10 ***won't get Live Nation shows if they do not use***
11 ***Ticketmaster, and Live Nation does not re-route content***
12 ***as retaliation for a lost ticketing deal.***

13 135. These statements were false and misleading because Defendants failed
14 to disclose that: (1) Live Nation engaged in anticompetitive conduct, including
15 improperly tying its underpriced Live Nation concert promotion services to its
16 Ticketmaster services and retaliating against venues that spurned Ticketmaster and
17 improperly restricting consumers' ability to resell tickets using competing secondary
18 ticketing services; and (2) as a result, Live Nation was reasonably likely to incur
19 regulatory scrutiny and face fines, penalties, and reputational harm. It was false and
20 misleading to say that Ticketmaster's "significant" share of the primary ticketing
21 services market was due to the inherent superiority of Ticketmaster's services, when
22 it was actually due in material part to anticompetitive practices the Company was
23 engaged in. It was also false and misleading to say that Ticketmaster lacks the
24 market position in the secondary ticketing market that can support antitrust claims,
25 when in truth the Company did hold such a position and did abuse its monopoly
26 power to stymie competition in violation of antitrust laws. Finally, it was false and
27 misleading to say that conditioning or retaliating against venues was against Live
28 Nation's policy when it, in fact, had engaged and continued to engage in that very
same conduct.

136. On January 24, 2023, Defendant Berchtold testified before the U.S.
Senate Judiciary Committee and made the following statements:

1 We hear people say that ticketing markets are less
2 competitive today than they were at the time of the Live
3 Nation-Ticketmaster merger. That is simply not true. In
4 2009 the Department of Justice alleged that
5 Ticketmaster's market share was over 80%. It is a
6 different story today. The most obvious change is the
7 emergence of the enormous secondary ticketing market, in
8 which Ticketmaster has a modest market share and many
9 strong competitors. But also in primary ticketing, the
10 Ticketmaster of 2010 did not face the level of competition
11 we face today from new competitors including SeatGeek,
12 AEG's AXS, and Eventbrite, along with established
13 competitors including Tickets.com and Paciolan. Today,
14 there is intense competition for every ticketing contract
15 that goes out to bid—far more than there was in 2010.
16 Ticketmaster has lost, not gained, market share, and every
17 year competitive bidding results in ticketing companies
18 getting less of the economic value in a ticketing contract
19 while venues and teams get more. The bottom line is that
20 U.S. ticketing markets have never been more competitive
21 than they are today, and we read about new potential
22 entrants all the time.

137. These statements were false and misleading because Berchtold failed to
disclose that: (1) Live Nation engaged in anticompetitive conduct, including
improperly tying its underpriced Live Nation concert promotion services to its
Ticketmaster services and retaliating against venues that spurned Ticketmaster and
improperly restricting consumers' ability to resell tickets using competing secondary
ticketing services; and (2) as a result, Live Nation was reasonably likely to incur
regulatory scrutiny and face fines, penalties, and reputational harm. Thus, it was
false and misleading to say that "Ticketmaster has a modest market share and many
strong competitors" in the secondary ticketing market because Ticketmaster has a
large and growing share and actively engages in anticompetitive conduct aimed at
thwarting its competitors in that market. It was likewise false and misleading to say
that "there is intense competition for every ticketing contract that goes out to bid"
because Ticketmaster's use of long-term exclusive contracts prevents many

1 contracts from going out to competitive bidders, and the Company uses
2 anticompetitive conduct like conditioning and retaliation to stymie competition in
3 the primary ticketing services market. Similarly, it was false and misleading to say
4 that “U.S. ticketing markets have never been more competitive than they are today,
5 and we read about new potential entrants all the time,” because the Company was
6 actively engaged in anticompetitive conduct in the ticketing markets and
7 purposefully imposing significant barriers to entry to dissuade new entrants that
8 could compete with Live Nation in those markets.

9 138. Live Nation issued a statement on February 23, 2023, stating:

10 In the last few weeks alone, we’ve submitted more than
11 35 pages of information to provide greater context and
12 transparency to policymakers on the realities of the
13 industry. ... We remain committed to working with
14 lawmakers on developing reforms that will benefit fans
and artists including those outlined in a FAIR Ticketing
Act.

15 139. These statements were misleading because Defendants failed to
16 disclose that, despite purportedly providing a whopping “more than 35 pages of
17 information” to policymakers, the Company was not cooperating fully with the
18 Senate investigation but was actually stonewalling the Subcommittee’s efforts, in an
19 attempt to hide the undisclosed anticompetitive conduct that the Company was
20 engaged in.

21 140. On February 23, 2023, Live Nation filed its 2022 10-K. Rapino and
22 Berchtold signed the 2022 10-K, which stated:

23 Competition in the live entertainment industry is intense.
24 We believe that we compete primarily on the basis of our
25 ability to deliver quality music events, sell tickets and
provide enhanced fan and artist experiences. ...

26 ... We believe that barriers to entry into the promotion
27 services business are low and that certain local promoters
28

1 are increasingly expanding the geographic scope of their
2 operations.

3 * * *

4 We experience competition from other national, regional
5 and local primary ticketing service providers to secure
6 new venues and to reach fans for events. ...

7 We also face significant and increasing competition from
8 companies that sell self-ticketing systems, as well as from
9 venues that choose to integrate self-ticketing systems into
10 their existing operations or acquire primary ticketing
11 service providers. Our competitors include primary
12 ticketing companies such as Tickets.com, AXS, Paciolan,
13 Inc., CTS Eventim AG, Eventbrite, eTix, SeatGeek,
14 Ticketek, See Tickets and Dice; secondary ticketing
15 companies such as StubHub, Vivid Seats, Viagogo and
16 SeatGeek; and many others, including large technology
17 and ecommerce companies that we understand have
18 recently entered or could enter these markets.

19 141. The above statements were false and misleading because Defendants
20 failed to disclose to investors: (1) that Live Nation engaged in anticompetitive
21 conduct, including improperly tying its underpriced Live Nation concert promotion
22 services to its Ticketmaster services and retaliating against venues that spurned
23 Ticketmaster and improperly restricting consumers' ability to resell tickets using
24 competing secondary ticketing services; and (2) as a result, Live Nation was
25 reasonably likely to incur regulatory scrutiny and face fines, penalties, and
26 reputational harm.

27 142. It was false and misleading to call competition in the live music
28 industry intense when the Company enjoyed monopolistic market power and abused
that power to stifle competition. It was misleading to say that the Company
competes "primarily on the basis of our ability to deliver quality music events, sell
tickets and provide enhanced fan and artist experiences" because Defendants

1 omitted that a material factor in how the Company “competes” in the live music
2 industry is through anticompetitive behavior in violation of antitrust laws. It was
3 false and misleading to say that barriers to entry in the promotion services business
4 are low because Defendants failed to disclose that the Company took efforts to raise
5 those barriers to dissuade potential market entrants by, among other things, using
6 predatory bidding practices subsidized by the Company’s much more profitable
7 Ticketing and Sponsorship operations. Similarly, it was misleading to say the
8 Company experiences competition from primary and secondary ticketing service
9 providers when in truth the Company was engaged in anticompetitive conduct
10 aimed squarely at reducing or eliminating competition in those spaces and
11 maintaining the Company’s monopolistic position.

12 143. The 2022 10-K also stated:

13 From time to time, federal, state and local authorities
14 and/or consumers commence investigations, inquiries or
15 litigation with respect to our compliance with applicable
16 consumer protection, advertising, unfair business practice,
17 antitrust (and similar or related laws) and other laws. ***Our***
18 ***businesses have historically cooperated with authorities***
19 ***in connection with these investigations and have***
20 ***satisfactorily resolved each such material investigation,***
21 ***inquiry or litigation.***

22 144. This statement was false and misleading because Defendants failed to
23 disclose that: (1) Live Nation engaged in anticompetitive conduct and was not
24 cooperating fully with the ongoing DOJ and Senate Subcommittee investigations;
25 and (2) as a result, Live Nation was reasonably likely to incur regulatory scrutiny
26 and face fines, penalties, and reputational harm. Thus, it was false and misleading to
27 suggest to investors that Live Nation had a practice of full cooperation with
28 investigations, or that the Company was likely to “satisfactorily resolve[]” the DOJ
and Senate investigations and potential litigation.

145. The 2022 10-K also stated:

1 In the case of antitrust (and similar or related) matters, any
2 adverse outcome could limit or prevent us from engaging in
3 the ticketing business generally (or in a particular segment
4 thereof) or subject us to potential damage assessments, all
5 of which could have a material adverse effect on our
6 business, financial condition and results of operations.

7 146. This statement was misleading because Defendants failed to disclose
8 that: (1) Live Nation engaged in anticompetitive conduct and was not cooperating
9 fully with the ongoing DOJ and Senate Subcommittee investigations; and (2) as a
10 result, Live Nation was reasonably likely to incur regulatory scrutiny and face fines,
11 penalties, and reputational harm. Thus, it was misleading to present as purely
12 hypothetical the risk of an adverse outcome in antitrust matters because Live
13 Nation's anticompetitive actions already created and heightened this existing risk.

14 147. The 2022 10-K also stated:

15 ... All three of our segments had revenue growth in the
16 year, with the largest increase coming from our Concerts
17 segment as discussed below. Exceptionally strong demand
18 for live events in the year led to record fan count and ticket
19 sales, powering the concerts center of our business
20 flywheel.

21 * * *

22 Our Concerts segment revenue grew by \$8.8 billion, from
23 \$4.7 billion in 2021 to \$13.5 billion in 2022. The revenue
24 growth was a result of more shows and fans coming back to
25 venues to enjoy their favorite artists. ...

26 Our Ticketing segment revenue grew by \$1.1 billion, from
27 \$1.1 billion in 2021 to \$2.2 billion in 2022. Ticketing AOI
28 for the year increased by \$407 million, from \$421 million
in 2021 to \$828 million in 2022. Along with an increase in
ticket sales, upward pricing momentum and revenue
generated from non-service fee sources, while direct costs
rose to support higher operations and enterprise growth.
Our fee-bearing ticket sales for the year were a record
breaking 281 million, over 50 million higher than our

1 previous best year. Our resale business continued to grow,
2 with nearly \$4.5 billion dollars in gross transaction value
3 for 2022, more than doubling resale gross transaction value
4 in 2019. It was our highest resale year ever, powered by
5 both Concerts and all the major sports leagues. ...*This is a
6 reflection of the quality of the Ticketmaster platform and
7 its continued popularity with clients across the globe,
8 giving us confidence that the Ticketmaster features and
9 functionality will continue to fuel growth going forward.*

10 148. Each of these statements were misleading because Defendants failed to
11 disclose that a material factor driving the Company's strong performance in the
12 Concerts and Ticketing segments was the Company's anticompetitive conduct,
13 which was unsustainable due to regulatory scrutiny and investigations of the
14 Company's violations of antitrust laws.

15 **THE COMPANY'S STOCK PRICE DROPPED UPON REVELATIONS OF**
16 **REGULATORS' INVESTIGATIONS AND IMMINENT CHARGES**

17 149. On November 18, 2022, after the ticketing platform's systems crashed
18 during a highly-anticipated presale for Taylor Swift tickets, *The New York Times*
19 reported that the DOJ had opened an antitrust investigation into Ticketmaster and
20 Live Nation, "focused on whether Live Nation Entertainment has abused its power
21 over the multibillion-dollar live music industry." The article reported that the DOJ
22 has "in recent months [long-predating the Swift fiasco] contacted music venues and
23 players in the ticket market, asking about Live Nation's practices and the wider
24 dynamics of the industry," and that the "inquiry appears to be broad, looking at
25 whether the company maintains a monopoly over the industry."

26 150. On this news, Live Nation's stock price fell \$5.64, or 7.8%, to close at
27 \$66.21 per share on November 18, 2022, on unusually heavy trading volume.

28 151. The truth continued to emerge on February 23, 2023, when *NPR*
reported that the Senate Judiciary Subcommittee on Competition Policy, Antitrust,
and Consumer Rights called on the DOJ to continue examining the "anticompetitive

1 conduct” of Live Nation and Ticketmaster, citing issues with Live Nation’s pricing
2 models and fees, increasingly long contracts with competitors, and alleged
3 retaliatory behavior against artists and venues that do not want to work with it. In a
4 letter to the Assistant Attorney General for Antitrust, Jonathan Kanter, Senators
5 Amy Klobuchar and Mike Lee wrote:

6 As you know, we have long been concerned about the
7 state of competition in America’s ticketing industry,
8 especially with the power and reach of Live Nation and its
9 wholly-owned subsidiary, Ticketmaster. We strongly
10 believe that music and live events connect communities
11 and bring people together. For too long, Live Nation and
Ticketmaster have wielded monopoly power
anticompetitively, harming fans and artists alike.

12 We recently held a bipartisan hearing in the Senate
13 Judiciary Committee at which the President of Live
14 Nation testified under oath, as did other industry
15 participants, including an artist, a secondary market
16 ticketing company, a promoter, and industry experts. We
17 write to share some of the evidence developed at that
hearing and to encourage the Division to follow up on
some remaining questions in this industry.

18 ***As an initial matter, other than Live Nation’s executive,***
19 ***every witness at our hearing testified that Live Nation is***
20 ***harming America’s music industry.*** For example:

- 21 • The Founder and CEO of Seat Geek testified that
22 Ticketmaster now uses even longer exclusive
23 agreements with venues, in some instances as long as
ten years.
- 24 • Clyde Lawrence, lead singer in the band Lawrence,
25 testified that on a \$30 ticket, Live Nation adds \$12 in
26 fees, and of that \$42 price the customer pays, only \$12
27 goes to the band before accounting for its cost of the
28 tour.

- A competing promoter, Jam Productions, testified that Live Nation attempts to lock up talent so competitors cannot produce concert tours. He also noted that 87 percent of Billboard's Top 40 Tours in 2022 were ticketed by Ticketmaster in the U.S. and that Ticketmaster has exclusive ticketing contracts for more than 85 percent of the nation's NFL, NHL, and NBA teams. (While Live Nation contested the accuracy of this data, it failed to provide any alternative data.)
- A public policy expert at the James Madison Institute testified that Ticketmaster's market dominance allows it to harm consumers through charging service fees and demanding exclusivities. In particular, he noted that the service fees can be greater than 30 percent and "are tacked on at the very end of the process, on the very last screen before purchasing," raising questions about deceptive pricing strategies.
- A former DOJ lawyer testified that the conduct remedies in the 2010 consent decree from the Live Nation-Ticketmaster merger investigation have failed and that such failures constitute hard evidence of the firm's monopoly power. She also testified that "the company still has the power to silence market participants who fear its retaliation."

152. The Senators' letter also stated that "Live Nation's responses amount to 'trust us.' We believe that is wholly insufficient." The Senators also "encourage[d] the Antitrust Division to take action if it finds that Ticketmaster has walled itself off from competitive pressure at the expense of the industry and fans."

153. The *NPR* report revealed for the first time that the Company was facing increased exposure to regulatory scrutiny and the risk of regulatory action, and not merely a fact-finding investigation.

154. On this news, Live Nation's stock price fell \$7.71, or 10.1%, to close at \$68.78 per share on February 24, 2023, on unusually heavy trading volume. As

1 observed by an article by *Barron's* published on February 24, 2023 entitled "Live
2 Nation's Stock Is Paying for the Taylor Swift Ticket Mess":

3 Live Nation Entertainment gave investors an upbeat
4 earnings report and outlook but the stock on Friday was
5 on track for its worst day in nearly a year. ***Worries about***
6 ***regulatory scrutiny and margins may be weighing on***
shares of the Ticketmaster parent.

7 155. On July 28, 2023, at 3:13 p.m. EDT, *Politico* reported that the DOJ
8 "could file an antitrust lawsuit against concert promoter Live Nation Entertainment
9 and its subsidiary Ticketmaster by the end of the year," citing three knowledgeable
10 sources. *Politico* noted that the DOJ complaint is expected to allege that "the
11 entertainment giant is abusing its power over the live music industry." Indeed,
12 *Politico* reported that "a potential case against Ticketmaster has been part of recent
13 discussions about upcoming litigation plans in the department's antitrust division."
14 According to *Politico*, "Live Nation executives were told early on that the
15 investigation is largely focused on the Ticketmaster side of the business, and the
16 DOJ has asked questions on topics including prohibitions on reselling tickets and
17 exclusive deals with venues to only use Ticketmaster."

18 156. With respect to the investigation, *Politico* reported that "[t]he DOJ is
19 moving quickly, ... and its litigation team is involved." As *Politico* explained,
20 "[b]ecause of the federal scrutiny dating back more than a decade and the
21 voluminous information the government is getting from third parties, it might not be
22 necessary to have all of the information that the DOJ is seeking from the company
23 in advance of filing a lawsuit." *Politico* also noted that the head of the DOJ's
24 antitrust division, "[Jonathan] Kanter has said repeatedly that he prefers to litigate
25 rather than settle enforcement actions and has indicated a preference for so-called
26 structural remedies, such as separating lines of business, rather than behavioral
27 fixes, which include promises not to engage in certain types of conduct."

1 157. The *Politico* report revealed to the market for the first time the
2 likelihood that the DOJ would not just investigate but actually file an antitrust
3 lawsuit against the Company based on its abuse of its monopoly power in the live
4 music industry. This report revealed a substantial increased risk of regulatory
5 enforcement action against the Company, including the potential divestment of
6 Ticketmaster as a structural remedy.

7 158. On this news, Live Nation's stock price fell \$7.60, or 7.8%, to close at
8 \$89.33 per share on July 28, 2023, on unusually heavy trading volume.

9 159. On November 20, 2023, after the close of markets, *CNBC* reported that
10 a Senate investigative subcommittee had issued a subpoena to Live Nation and its
11 Ticketmaster subsidiary "for information regarding ticket pricing and fees after a
12 months-long probe that had not been previously announced."

13 160. In a letter accompanying the subpoena, Senator Richard Blumenthal,
14 Chairman of the Senate Permanent Subcommittee on Investigations ("PSI"), wrote:

15 PSI first wrote to Live Nation/Ticketmaster on March 24,
16 2023, seeking documents and information in connection
17 with this inquiry. Despite nearly eight months and
18 extensive efforts to obtain voluntary compliance, Live
19 Nation/Ticketmaster has failed to fully comply with PSI's
 requests, including refusing to produce certain documents
 critical to the Subcommittee's inquiry.

20 161. In a statement on the same day, Senator Blumenthal said that "Live
21 Nation has egregiously stonewalled my Subcommittee's inquiry into its abusive
22 consumer practices — making the subpoena necessary," and that "This subpoena
23 demands that the company promptly comply with our request for documents
24 essential to understand its business practices. American consumers deserve fair
25 ticket prices, without hidden fees or predatory charges. And the American public
26 deserves to know how Ticketmaster's unfair practices may be enabled by its misuse
27 of monopoly power."
28

1 162. According to the *CNBC* report, the Senate subpoena seeks documents
2 and internal communications about “ticket pricing, fees, and resale practices as well
3 as the company’s relationship with artists and venues.”

4 163. The news about the Senate subpoena revealed for the first time that
5 Live Nation had “stonewalled,” not fully cooperated with, the Senate
6 Subcommittee’s investigation into the Company’s unfair practices and misuse of
7 monopoly power. This demonstrated to the market that the Senate Subcommittee
8 was still vigorously scrutinizing the Company’s anticompetitive business practices
9 and that the Company was exposed to significant regulatory risk on top of the DOJ’s
10 investigation.

11 164. On this news, Live Nation’s stock price fell \$2.78, or roughly 3%, to
12 close at \$87.04 per share on November 21, 2023, on unusually heavy trading
13 volume.

14 **ADDITIONAL SCIENTER ALLEGATIONS**

15 165. Plaintiffs allege that each of the false and misleading statements and
16 omissions identified above was made with Defendants’ knowledge or severely
17 reckless disregard of the falsity of those statements.

18 166. The scienter of the Individual Defendants and other employees and
19 agents of the Company is imputed to the Company under *respondeat superior* and
20 agency principles. This is particularly true with respect to Defendants Rapino and
21 Berchtold, executive officers of the Company who were sufficiently senior in the
22 organization that it is proper to impute their scienter to Live Nation.

23 167. Rapino had a significant personal financial incentive to commit
24 securities fraud. During a roughly six-month stretch of the Class Period, from March
25 16, 2022 through September 23, 2022, Rapino sold 2,467,343 shares of Live Nation
26 common stock, for gross proceeds of over \$250 million. Those sales equate to
27 roughly 83% of Rapino’s holdings as of March 16, 2022.

1 168. To the extent Rapino's stock sales were made pursuant to a 10b5-1
2 trading plan, it is unclear when the plan was entered into and whether at that time
3 Rapino was in possession of non-public material facts pertinent to Plaintiffs'
4 allegations of false, thus the mere existence of a 10b5-1 trading plan does not negate
5 the strong inference of scienter created by Rapino's substantial Class Period stock
6 sales. Moreover, the timing of the sales was suspicious because they coincided with
7 the onset of the DOJ's then-undisclosed investigation in the summer of 2022.

8 **CLASS ACTION ALLEGATIONS**

9 169. Plaintiffs bring this action as a class action pursuant to Federal Rule of
10 Civil Procedure 23(a) and (b)(3) on behalf of themselves and the Class.

11 170. The members of the Class are so numerous that joinder of all members
12 is impracticable. Throughout the Class Period, shares of Live Nation's common
13 stock actively traded on the New York Stock Exchange ("NYSE"). While the exact
14 number of Class members is unknown to Plaintiffs at this time and can only be
15 ascertained through appropriate discovery, Plaintiffs believe that there are at least
16 hundreds or thousands of members in the proposed Class. Millions of shares of Live
17 Nation common stock were traded publicly during the Class Period on the NYSE.
18 Record owners and other members of the Class may be identified from records
19 maintained by Live Nation or its transfer agent and may be notified of the pendency
20 of this action by mail or email, using the form of notice similar to that customarily
21 used in securities class actions.

22 171. Plaintiffs' claims are typical of the claims of the members of the Class
23 as all members of the Class are similarly affected by Defendants' wrongful conduct
24 in violation of federal law that is complained of herein.

25 172. Plaintiffs will fairly and adequately protect the interests of the members
26 of the Class and have retained counsel competent and experienced in class and
27 securities litigation. Plaintiffs have no interests antagonistic to or in conflict with
28 those of the Class.

1 173. Common questions of law and fact exist as to all members of the Class
2 and predominate over any questions solely affecting individual members of the
3 Class. Among the questions of law and fact common to the Class are:

4 (a) whether Defendants violated the federal securities laws as alleged
5 herein;

6 (b) whether, during the Class Period, Defendants made false or
7 misleading statements of material fact to the investing public, or
8 omitted material facts necessary to make the statements made, in
9 light of the circumstances under which they were made, not
10 misleading;

11 (c) whether the Defendants caused the Company to issue false and
12 misleading SEC filings and public statements during the Class
13 Period;

14 (d) whether Defendants acted negligently, knowingly, or recklessly in
15 issuing, or causing the Company to issue, false and misleading SEC
16 filings and public statements during the Class Period;

17 (e) whether the price of the Company's common stock during the Class
18 Period was artificially inflated because of Defendants' conduct
19 complained of herein; and

20 (f) whether the members of the Class have sustained damages and, if
21 so, what is the proper measure of damages.

22 174. Plaintiffs will rely in part upon the presumption of reliance established
23 by the fraud-on-the-market doctrine in that, among other things: (a) during the Class
24 Period, Defendants made public statements of material fact that were false,
25 misleading, or were rendered misleading because of Defendants' failure to disclose
26 material facts necessary to prevent such statement from being misleading; (b) as a
27 result of the false and misleading statements and omissions of material fact, the
28 Company's common stock traded at artificially inflated prices during the Class

1 Period; (c) Plaintiffs and other members of the Class purchased or otherwise
2 acquired the Company's common stock relying on the integrity of the market price
3 of the Company's common stock and market information relating to the Company,
4 and have been damaged thereby.

5 175. During the Class Period, the artificial inflation of the Company's
6 common stock was caused by Defendants' material misrepresentations and
7 omissions as described above, causing the damages sustained by Plaintiffs and the
8 other members of the Class. Defendants' material misrepresentations and omissions
9 created an unrealistically positive assessment of the Company and its business,
10 operations, and prospects, causing the price of the Company's common stock to be
11 artificially inflated at all relevant times, including when Plaintiffs and other
12 members of the Class purchased the stock. When the truth hidden by these
13 misrepresentations and omissions was disclosed, those disclosures negatively
14 affected the value of the Company's common stock, dissipating the artificial
15 inflation and damaging Plaintiffs and other members of the Class.

16 176. The market for the Company's common stock was an efficient market
17 at all times during the Class Period for the following reasons, among others:

- 18 (a) Defendants made public misrepresentations or failed to disclose
19 material facts during the Class Period;
- 20 (b) As a regulated issuer, the Company filed periodic public reports
21 with the SEC;
- 22 (c) The Company regularly communicated with public investors by
23 means of established market communication mechanisms, including
24 through regular dissemination of Current Reports in their SEC
25 filings;
- 26 (d) The Company's shares were liquid and traded with moderate to
27 heavy volume during the Class Period. On average, approximately
28 10.2 million shares of the Company's common stock, or roughly

1 4.4% of Live Nation's total shares outstanding, were traded weekly
2 during the Class Period, permitting a very strong presumption that
3 its shares traded on an efficient market;

4 (e) During the Class Period, the Company's common stock met the
5 requirements for listing, and were listed and traded on the NYSE, a
6 highly efficient and automated market;

7 (f) The Company was covered by several securities analysts employed
8 by brokerage firms who wrote reports about the Company, which
9 were distributed to customers, made publicly available, and entered
10 the public marketplace;

11 (g) The misrepresentations and omissions alleged would tend to induce
12 a reasonable investor to misjudge the value of the Company's
13 securities; and

14 (h) Unexpected material news about the Company was rapidly reflected
15 in and incorporated into the Company's securities prices during the
16 Class Period.

17 177. Based on the foregoing, the market for the Company's common stock
18 promptly digested current information regarding the Company from all publicly
19 available sources and reflected such information in the prices of the Company's
20 common stock shares. Under these circumstances, all purchasers of the Company's
21 common stock during the Class Period suffered similar injury through their purchase
22 of the Company's common stock at artificially inflated prices, and thus are entitled
23 to a presumption of reliance.

24 178. Alternatively, Plaintiffs and the Class are entitled to the presumption of
25 reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of*
26 *Utah v. United States*, 406 U.S. 128 (1972), because the Class's claims are in large
27 part grounded on Defendants' omissions of material facts in their Class Period
28 statements in violation of Defendants' duty to disclose such facts. Thus, positive

1 proof of reliance is not a prerequisite to recovery. All that is necessary is that the
2 facts withheld were material in that a reasonable investor might have considered
3 them important in making investment decisions. Here, the misleadingly omitted
4 facts were material, so the presumption applies.

5 179. A class action is superior to all other available methods for the fair and
6 efficient adjudication of this controversy since joinder of all members is
7 impracticable. Furthermore, as the damages suffered by individual Class members
8 may be relatively small, the expense and burden of individual litigation make it
9 impossible for members of the Class to individually redress the wrongs done to
10 them. There will be no difficulty in the management of this action as a class action.

11 180. The prosecution of separate actions by individual members of the Class
12 would create a risk of inconsistent or varying adjudication with respect to individual
13 members of the Class that would establish incompatible standards of conduct for the
14 party opposing the Class.

15 **COUNT I**

16 **Violations of Section 10(b) of the Exchange Act and SEC Rule 10b-5** 17 **(Against All Defendants)**

18 181. Plaintiffs repeat and re-allege each and every allegation contained
19 above as if fully set forth herein.

20 182. This Count is asserted against Defendants Live Nation, Rapino, and
21 Berchtold and is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b),
22 and SEC Rule 10b-5 promulgated thereunder.

23 183. During the Class Period, Defendants violated §10(b) of the Exchange
24 Act and SEC Rule 10b-5 in that they, individually and in concert, directly or
25 indirectly, disseminated or approved the false and/or misleading statements
26 specified above, which they knew, or disregarded with severe recklessness, were
27 false and/or misleading in that they contained misrepresentations and/or failed to
28

1 disclose material facts necessary in order to make the statements made, in light of
2 the circumstances under which they were made, not misleading.

3 184. Defendants acted with scienter in that they knew, or disregarded with
4 severe recklessness, that the public statements they made were materially false and
5 misleading; knew, or disregarded with severe recklessness, that such statements or
6 documents would be issued or disseminated to the investing public; and knowingly
7 and substantially participated, or acquiesced in the issuance or dissemination of such
8 statements or documents.

9 185. Rapino and Berchtold, senior officers and directors of the Company,
10 had actual knowledge of the material omissions and/or the falsity or misleading
11 nature of the statements set forth above, and intended to deceive Plaintiffs and other
12 members of the Class, or, in the alternative, acted with severely reckless disregard
13 for the truth when they failed to ascertain and disclose the true facts in the
14 statements made by them or other personnel of the Company to members of the
15 investing public, including Plaintiffs and Class.

16 186. As a result of the foregoing, the market price of the Company's
17 common stock was artificially inflated during the Class Period. In ignorance of the
18 falsity of Defendants' statements, Plaintiffs and members of the Class relied on the
19 statements described above and/or the integrity of the market price of the
20 Company's common stock during the Class Period in purchasing the Company's
21 common stock at prices that were artificially inflated as a result of Defendants' false
22 and misleading statements and omissions.

23 187. Had Plaintiffs and members of the Class been aware that the market
24 price of the Company's common stock had been artificially inflated by Defendants'
25 false and misleading statements and by the material adverse information which they
26 did not disclose, they would not have purchased the Company's common stock at
27 the artificially inflated prices that they did, or at all.

1 188. As a result of the wrongful conduct alleged herein, Plaintiffs and
2 members of the Class have suffered damages in an amount to be established at trial.

3 189. By reason of the foregoing, Defendants have violated Section 10(b) of
4 the Exchange Act and SEC Rule 10b-5 promulgated thereunder and are liable to
5 Plaintiffs and members of the Class for substantial damages which they suffered in
6 connection with their purchases of the Company's common stock during the Class
7 Period.

8 **COUNT II**

9 **Violations of Section 20(a) of the Exchange Act**
10 **(Against the Individual Defendants)**

11 190. Plaintiffs repeat and re-allege each and every allegation contained
12 above as if fully set forth herein.

13 191. During the Class Period, the Individual Defendants participated in the
14 operation and management of the Company, and conducted and participated,
15 directly and indirectly, in the conduct of the Company's business affairs.
16 Additionally, the Individual Defendants had direct and supervisory involvement in
17 the day-to-day operations of the Company and had the power to control or influence
18 the particular transactions giving rise to the securities violations. In performing their
19 responsibilities in their senior positions, they knew the adverse non-public
20 information regarding the Company's business practices.

21 192. As officers and directors of a publicly owned company, the Individual
22 Defendants had a duty to disseminate accurate and truthful information with respect
23 to the Company's financial condition and results of operations, and to correct
24 promptly any public statements issued by the Company which had become
25 materially false or misleading.

26 193. Because of their positions of control and authority as senior officers,
27 the Individual Defendants were able to, and did, control the contents of the public
28 filings which the Company disseminated in the marketplace during the Class Period.

1 Throughout the Class Period, the Individual Defendants exercised their power and
2 authority to cause the Company to engage in the wrongful acts complained of
3 herein. The Individual Defendants, therefore, were “controlling persons” of the
4 Company within the meaning of Section 20(a) of the Exchange Act. In this capacity,
5 they participated in the unlawful conduct alleged which artificially inflated the
6 market price of the Company’s common stock.

7 194. The Individual Defendants exercised control over the general
8 operations of the Company and possessed the power to control the specific activities
9 which comprise the primary violations about which Plaintiffs and the other members
10 of the Class complain. The Individual Defendants also had ultimate authority over
11 the Company’s statements, including controlling the content of such statements and
12 whether and how to communicate such statements to the public.

13 195. By reason of the above conduct, the Individual Defendants are liable
14 pursuant to Section 20(a) of the Exchange Act for the violations committed by the
15 Company.

16 **PRAYER FOR RELIEF**

17 WHEREFORE, Plaintiffs, on behalf of themselves and the Class, pray for
18 relief and judgment, as follows:

- 19 A. Determining that this action may be maintained as a class action under
20 Rule 23 of the Federal Rules of Civil Procedure, designating Plaintiffs
21 as class representatives and Plaintiffs’ counsel and class counsel;
22 B. Awarding damages in favor of Plaintiffs and the other Class members
23 against all Defendants, jointly and severally, for all damages sustained
24 as a result of Defendants’ wrongdoing, in an amount to be proven at
25 trial, including interest thereon;
26 C. Awarding Plaintiffs and the Class prejudgment and post-judgment
27 interest and their reasonable costs and expenses incurred in prosecuting
28 this action, including reasonable attorneys’ fees and expert fees; and

1 D. Awarding such other and further relief as the Court may deem just and
2 proper.

3 **JURY TRIAL DEMANDED**

4 Plaintiffs hereby demand a trial by jury.

5
6
7 Dated: November 30, 2023

THE ROSEN LAW FIRM, P.A.

8 By: /s/Laurence M. Rosen

9 Laurence M. Rosen (SBN 219683)
10 355 South Grand Avenue, Suite 2450
11 Los Angeles, CA 90071
12 Telephone: (213) 785-2610
13 Facsimile: (213) 226-4684
14 Email: lrosen@rosenlegal.com

15 Phillip Kim (*pro hac vice* forthcoming)
16 Joshua Baker (*pro hac vice*)
17 101 Greenwood Avenue, Suite 440
18 Jenkintown, PA 19046
19 Telephone: (215) 600-2817
20 Facsimile: (212) 202-3827
21 Email: pkim@rosenlegal.com
22 Email: jbakker@rosenlegal.com

GLANCY PRONGAY & MURRAY LLP

23 Robert V. Prongay
24 Ex Kano S. Sams II
25 Charles H. Linehan
26 Pavithra Rajesh
27 1925 Century Park East, Suite 2100
28 Los Angeles, California 90067
Telephone: (310) 201-9150
Facsimile: (310) 201-9160
Email: clinehan@glancylaw.com
Email: esams@glancylaw.com

Co-Lead Counsel for Plaintiffs and the Class

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THE LAW OFFICES OF FRANK R. CRUZ

Frank R. Cruz

1999 Avenue of the Stars, Suite 1100

Los Angeles, CA 90067

Telephone: (310) 914-5007

Additional Counsel for Brian Donley